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FOREWORD AND OPENING REMARK

In the name of Allah, The Most Gracious the Merciful
Assalamu'alaikum Wr. Wb.

Heartiest Greeting from Indonesian Accounting Lecturer Association (ADAI) - Indonesia, to you All in all over the World

Honourable Keynote Speaker. Respectable, all presenters for this **THE 1st INTERNATIONAL ACCOUNTING STUDENTS CONFERENCE (IASC)**. Beloved committee, students, participants, ladies and gentlemen My Name is Arfan Ikhsan Lubis as Chairman of the Asosiasi Dosen Akuntansi Indonesia (Association of Indonesian Accounting Lecturers/ADAI), it is such an honor for me to welcome you all to our **THE 1st INTERNATIONAL ACCOUNTING STUDENTS CONFERENCE (IASC)** in keynote speakers' session and parallel sessions with lecturers, researchers and students worldwide. This is our 1st International Accounting Students Conference Talk with the theme: **MULTIPARADIGM PERSPECTIVE ON ACCOUNTING, FINANCE AND TAX.**

Dear Brothers and Sisters
Through the introduction of this Forum, we can learn about the strengths/ weaknesses of students and give them the opportunity to learn through their strengths. Students have the opportunity to explore the world, develop their own skills and develop their own abilities. Accounting, Finance and Tax is a process that provides appropriate information from an entity not limited to financial data to stakeholders to ensure that the entity continues to carry out its operations within legal limits and achieve its socio-economic goals.

The fundamental role of accounting is as a provider of information and a source of answers for all matters related to corporate finance. You can use reports that contain complete and accurate information to stabilize and even improve your company's performance. Therefore, you should immediately compile your books and update them regularly so that your company's finances can be neatly arranged. You can use accounting software or digital accounting services to make your accounting work easier. In addition, this step aims to prevent human errors that occur in manual recording, which can impact the company's performance.

INTERNATIONAL ACCOUNTING STUDENTS CONFERENCE (IASC) is a series program for students. International conferences are an important thing for Indonesian and international students to attend, by attending international conferences, students can express opinions effectively. Academic benefits that can be obtained by participating in international conferences, namely international conferences will be a place for students to meet experts in various fields, so that these students feel they can expand their networking and also gain new knowledge from professors, speakers, and scientists from around the world, by participating in international conferences.
Ladies and gentlemen, That's the end of my opening remark, thank you very much for your kind attention.

Best regard,
Dr. Arfan Ikhsan Lubis
Chairman of the Association of Indonesian Accounting Lecturers (ADAI)

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CAPITAL STRUCTURE EFFECT THROUGHT LIQUIDITY, ASSET STRUCTURE AND PROFITABILITY

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ABSTRACT

This research aims to determine the effect of liquidity, asset structure and profitability on capital structure in companies listed on Jakarta Islamic Index (JII). The approach used in this research is a quantitative approach. The population of this study amounted to 47 companies, namely companies listed on the JII in 2020-2022. The sample selection process used the purposive sampling technique and obtained 16 companies as samples. This research data is secondary data collected using the method of observation of the company's annual report. The data analysis technique used multiple linear regression analysis. The results showed that liquidity had negative significant effect on capital structure, asset structure had no significant effect on capital structure and profitability had positive significant on capital structure.
Keyword: *Liquidity, Asset Structure, Profitability, Capital Structure.*

INTRODUCTION

One important aspect of running a company is making funding decisions to finance business activities. The funding decisions taken by the company are reflected in the company's capital structure. The capital structure is a balance or comparison between the amount of long-term debt and capital. The capital structure is the main focus for the company because good or bad capital structure can affect the company's financial condition. Moreover, the capital structure used comes from external funding, namely debt, which may increase the risk of default in the future (Sulindawati, 2017:112).

The conditions that occur in companies listed on the Jakarta Islamic Index (JII) on the Islamic stock index consist of only the 30 most liquid Islamic stocks listed on the Indonesia Stock Exchange in 2020-2022 showing fluctuations in liquidity values, asset structure, profitability and capital structure due to the Covid-19 pandemic that occurred in early 2019. For this reason, this study wants to examine several factors that can affect capital structure, including: Liquidity, Asset Structure and Profitability. A high level of liquidity of a company shows the company's ability to pay off debts that are due in the short term, so that it can reduce total debt which causes its capital structure to decrease (Mufidah, et al, 2018). So the higher the company's liquidity, the lower its capital structure.

The next factor that influences the capital structure is the asset structure, the composition of the company's tangible fixed assets which are large in number will have the opportunity to obtain additional capital with debt, because fixed assets can be used as collateral to obtain debt. Companies with large asset structures tend to raise funds from external parties. So that it will improve the company's capital structure derived from debt.

Profitability is the company's ability to generate profits by using company-owned sources, such as assets, capital, or sales (Sudana, 2011:25). When a company has a high level of profit, then the percentage of retained earnings owned by the company also increases. So the higher the profitability of the company, the lower the level of capital structure in the company.

Regarding the capital structure, this research has been carried out by several previous researchers including by Zahro, et al (2022) states that partially and simultaneously Profitability, Firm Size, Asset Structure, and Business Risk have a significant effect on Capital Structure. Where as Rivandi and Novriani (2021) states that liquidity has no effect on capital structure while profitability has a positive and significant effect on capital structure.Qosidah and Ramadan (2021) states that liquidity and asset structure have a significant effect on capital structure, while business risk has no effect on capital structure. While the research results from Kamini, et al (2020) states that profitability and asset structure have a negative effect on capital structure, while company size has no effect on capital structure.

The approach used in this research is a quantitative approach.The population in this study are companies registered on the Jakarta Islamic Index (JII) in the 2020-2022 period, totaling 47 companies. The sample collection technique used is purposive sampling so that the total sample is 48 financial report data. The data source for this research is secondary data which can be accessed via the Indonesia Stock Exchange website (www.idx.co.id) and the website of each company. This study uses a multiple regression analysis model.

CONTENT

To see this influence can be seen through the value of the regression equation used in the following table:

Table 1 Summary of Hypothesis Testing

Variable	Coefficient	t count	Sig.	Information
Liquidity	-.290	-4.116	.000	Hypothesis 1 is accepted
Asset Structure	.886	1.955	.057	Hypothesis 2 is rejected
Profitability	1.285	4.861	.000	Hypothesis 3 is rejected
Constant	99.419	3.358		
R Square	.616			
Adj. R Square	.590			

The results of multiple linear regression calculations obtained the following equation:

$$Y = 99.419 - 0.290X1 + 0.886X2 + 1.285X3 + e$$

Based on the results of testing the first hypothesis, it shows that the liquidity variable has a negative and significant effect on capital structure or it can be said that liquidity has a direct effect that is opposite to capital structure. This means that the first hypothesis is accepted. A high level of liquidity will tend to hold companies from using debt because companies that have high liquidity mean that they have high internal funds so that these companies will prioritize using internal funds, rather than using external funds.

This research is in line with research conducted by (Laili and Utiyati, 2021) and (Aslah, 2020) who found that liquidity had a negative and significant effect on the company's capital structure. But the results of this study are not in line with the results of research conducted by (Rivandi and Novriani, 2021) and (Kurniasari & Listiawati, 2021) which states that liquidity has no effect on capital structure

Based on the results of testing the second hypothesis, it shows that the asset structure variable has no significant effect on the capital structure or it can be said that the size of the asset structure has not been able to influence the level of capital structure. This means that the second hypothesis is rejected. The asset structure has no effect on the capital structure because most of the fixed assets are financed by the company's internal funds. The increase in fixed assets is not always followed by an increase in long-term debt.

This research is in line with research conducted by (Ayuningtyas & Susanto, 2020) and (Pramana & Darmayanti, 2020) who found that the asset structure has no significant effect on the company's capital structure. However, the results of this study are not in line with the results of research conducted by (Qosidah and Romadhon, 2021) and (Ashry, 2019) which state that asset structure has a positive and significant effect on the company's capital structure.

Based on the results of the third hypothesis testing, it shows that the profitability variable has a positive and significant effect on capital structure or it can be said that any increase in profitability is always followed by an increase in capital structure. This means the third hypothesis is rejected. The higher the profitability, the greater the retained earnings but this will be offset by high debt because the prospects for companies that are expanding require a lot of funds to encourage increased profits in the future.

This research is in line with research conducted by (Zahro, et al, 2022) and (Rivandi and Novriani, 2021) which found that profitability had a significant positive effect on the company's capital structure. But the results of this study are not in line with the results of research conducted by (Kamini, et al, 2020) and (Ramadhani and Fitra, 2019) which state that profitability has a negative and significant effect on the capital structure of companies.

Based on table 2 above, it can be seen that the Adjusted R Square value is 0.590. This means that 59% of the capital structure variable can be explained by liquidity, asset structure and profitability. While the remaining 41% (100% - 59%) is explained by other variables not included or observed in this study.

CONCLUSION

Based on the test results in this study it was found that liquidity had a significant negative effect on the capital structure of companies listed on the Jakarta Islamic Index (JII) or hypothesis 1 was accepted; The capital structure of companies listed on the Jakarta Islamic Index (JII) or hypothesis 2 is rejected; Profitability has a significant positive effect on the capital structure of companies listed on the

Jakarta Islamic Index (JII), or Hypothesis 3 is rejected.

The results of this research are suggested to be able to describe knowledge and add information for the development of accounting knowledge regarding financial management and risk management, especially regarding capital structure.

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EFFECTS OF FINANCIAL DISTRESS, SIZE COMPANY, AND LEVERAGEON THE GIVING OF GOING CONCERN AUDIT OPINION

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ABSTRACT

The purpose of this research is to examine how financial distress, company size and leverage influence going concern audit opinion. Financial distress, company size, and leverage are the independent variables of the research, while going concern audit opinion is the dependent variable. The audited financial analysis of manufacturing sector companies for 2019–2021 is the secondary data used in this study. By using a purposive sampling technique, samples were selected based on predetermined criteria, so that a total of 172 samples from 43 organizations that met the requirements were obtained. The logistic regression analysis method was applied in this study. According to the research findings, Financial Distress, Company Size and Leverage have quite a beneficial impact on Going Concern Audit Opinion.
Keywords: Financial Distress, Company Size, Leverage, Going concern Opinion, and manufacturing companies

INTRODUCTION

Competition does not only arise from companies that have just been established, even companies that have been established for a long time will definitely arise competition. Going concern is the survival of a company where the company can or has operated in the future which is influenced by financial and non-financial conditions and will not be liquidated in the short term. The phenomenon that occurs is based on data as of June 2019.

Financial distress is a condition in which a company experiences a financial crisis due to being unable to manage the company, causing operating cash to be smaller than operating profit (Hidayati et. al., 2019). Company size can determine the size of the profit earned by a company, the greater the assets, the stronger the financial condition of the company (Tadungan & Mertha, 2016).

Leverage is the company's ability to meet its financial obligations. The higher the leverage ratio, the worse the financial condition of the company and can cause uncertainty with the survival of the company (Aji & Sari, 2019). This study focuses on the basic industrial and chemical subsectors according to the latest company classification issued by the IDX in 2018 - 2021. The purpose of this study is to test and analyze the effects of financial distress, size company, and leverage on the giving of going concern audit opinion.

LITERATURE REVIEW

Financial Distress

Financial distress is a condition where there is an economic downturn experienced by a company which can cause the company to go into liquidation or bankruptcy (Liliani, 2021). Financial distress that occurred in a company previously had indications or signs that appeared. An indication of a company experiencing financial difficulties can be seen from the condition of its financial statements.

H_1: Financial distress has a positive effect on going concern audit opinion

Company Size

Company size is a size scale that is seen from the total assets of a company or organization that combines and organizes various resources with the aim of producing goods or services for sale. The effect of firm size on firm value is supported by signaling theory.

H_2: Company size has a positive effect on going concern audit opinion

Leverage

The ratio that measures a company's ability to meet its financial obligations is the leverage ratio. The debt ratio which is calculated by comparing total debt to total assets is used to calculate the leverage ratio, Masyitoh and Adhariani (2010) and Carcello and Neal (2000).

H_3: Leverage has a positive effect on going concern audit opinion

RESEARCH METHODS

The research objects studied by researchers are go public companies listed on the Indonesia Stock Exchange in 2018-2021. Based on the research object to be examined in this study will use a causality approach quantitative research method. The data taken as the research object are secondary data originating from the official website of the Indonesia Stock Exchange (www.idx.co.id) and using literature sources, books, journal articles, and internet sites related to the research object.

The population used in this study are all companies engaged in the basic industrial and chemical subsectors which are listed on the Indonesia Stock Exchange in 2018-2021. Based on the official IDX website (www.idx.co.id) the number of industrial companies listed on the Indonesia Stock Exchange in 2019 -2021 is 69 companies. The method of determining the sample used in this study is nonprobability sampling with purposive sampling technique. The results of the purposive sampling technique can be seen in Table 1. The operationalization of the variables used for going concern audit opinions uses dummy variables, financial distress variables use DAR (Debt to Asset Ratio) proxies, debt default variables use current ratio proxies, and profitability variables use proxies ROA (Return on Assets).

Based on previous research literature, the analytical method used is logistic regression analysis. The use of this analysis method is because the dependent variable is a dummy variable and the independent variables are metric and no-metric variables (Ghozali, 2018). The analytical tool used in this study to test the hypothesis is logistic regression analysis with a significant level of $\alpha = 5\%$.

Tabel 1 Sample Criteria Results

Sample Criteria	**Amount**
Manufacturing companies in the basic and chemical industrial sectors listed on the IDX for the period 2018 -2021	69
Manufacturing companies in the basic and chemical industry sectors that do not publish financial reports and annual reports consecutively according to the period 2018 -2021	(11)
Manufacturing companies in the basic and chemical industrial sectors that have been delisted on the IDX 2018-2021	(4)
The financial reporting period is from 1 January to 31 December and the Dollar is the reporting currency	(11)
Total sample companies	43
Research period	4 years
Total Sampel	172

Testing the logistic regression hypothesis is used if the independent variable is a combination of metric and non-metric (nominal), thus ignoring the normality test and classical assumption test on the independent variable (Ghozali, 2018). By using SPSS software for data processing. The general model of logistic regression is formulated with the following equation:

$$\boldsymbol{Ln}\ \left(\frac{Ada}{1-Ada}\right) = \boldsymbol{b0} + \boldsymbol{\beta 1 \mathrm{FinDis}} + \boldsymbol{\beta 2}\mathrm{ComSiz} + \boldsymbol{\beta 3}\mathrm{Lev} + \mathcal{E}$$

Information:

Ln(p/(1-p)) = Going concern audit opinion
b0s = Konstanta
β1, β2, dan β3 = Regression coefficient of each variable
FinDis = Financial distress
Company Size = Company size
Lev = *Leverage*
ε = Erorr

The t test (t-test) is used to test the hypothesis partially in order to show the effect of each independent variable individually on the dependent variable, the t test is carried out by comparing the p-value in the Sig column for each independent variable with a significance level of 0.05. Based on the Leverage value with $\alpha = 0.05$. The basis for the decision is that if Leverage > 0.05, then the hypothesis is rejected, whereas if Leverage < 0.05, then the hypothesis is accepted.

RESULTS AND DISCUSSION

This study uses data from basic industrial and chemical subsector companies listed on the IDX. The industrial sector includes companies that sell products and services that are generally consumed by industry, not consumers. The total data used in this study is 172 data with a three-year observation period. The data will be tested by testing descriptive statistics which explains the total data owned, the average (Mean), the minimum value, the maximum value, and the standard deviation. The following are the results of descriptive statistical tests using SPSS version 25.0:

Table 2 Statistics Results Descriptive Statistics

	N	Minimum	Maximum		Mean	Std. Deviation
	Statistic	Statistic	Statistic	Statistic	Std. Eror	Statistic
Financial Distress	172	-10.00	16.50	1.4240	.19335	2.53571
Company Size	172	22.17	31.56	27.9582	.13460	1.76521
Leverage	172	.09	3.59	. 5340	.03333	.43713
GCAO	172	.00	1.00	.0407	.01511	.19817
Valid N	172					

DISCUSSION

From the table of descriptive statistical test results above, it shows that N is the number of samples in this study totaling 172. The minimum value is the lowest value in each of the variables studied. The maximum value is the highest value in each of the variables studied. The mean value is the average value for each variable, namely financial distress, company size, leverage, and going concern audit opinion.

The results of the descriptive statistical test for the independent variable financial distress as measured by the ratio have a minimum value of -10.00 out of 172 samples, the lowest financial distress score is owned by PT. Eterindo Wahanatama Tbk Tbk (ETWA) in 2017. The maximum value is 16.50, which is owned by PT. Eterindo Wahanatama Tbk Tbk (ETWA) in 2015. The average value (mean) is 1.4240 with a standard deviation value of 2.53571

The independent variable company size has a minimum value of -22.17 from 172 samples, the lowest value is owned by PT. Asahimas Flat Glass Tbk (AMFG). in 2015. The maximum value was 31.56 out of 172 samples, the highest value was owned by PT Semen Indonesia Tbk (SMGR) in 2018. The average value (mean) is 27.5982 with a standard deviation of 1.76521.

The independent variable leverage has a minimum value of 0.09 out of 172 samples, the lowest value is owned by PT. Intan Wijaya Internasional Tbk (INCI) in 2016. The maximum value is 3.59 out of 172 samples, this highest score belongs to PT. Jakarta Kyoei Steel Work LTD Tbk (JKSW) in 2018. The average value (mean) is 0.5340 with a standard deviation of 0.43713.

The going concern audit opinion (GCAO) variable shows a minimum value of 0 which indicates that the company does not receive a going concern audit opinion and a maximum value of 1 indicates that the company accepts a going concern audit opinion. The average value (mean) of companies that get a going concern audit opinion is 0.0407 or equivalent to 4.07%. This means that the average value of all samples that received a going concern audit opinion was 7.56% of the 172 samples studied, indicating that most of the samples used in this study did not receive a going concern audit opinion.

CONCLUSION

The financial distress variable that is proxied by the debt to equity ratio has no significant effect on the acceptance of going concern audit opinions in companies in the basic and chemical industry sectors listed on the Indonesia Stock Exchange in 2018-2021. The company size variable that is proxied by SIZE has no significant effect on the acceptance of going concern audit opinions in companies in the basic and chemical industry sectors listed on the Indonesia Stock Exchange in 2018-2021. The leverage variable has a significant effect on receiving going concern audit opinions in companies in the basic and chemical industry sectors listed on the Indonesia Stock Exchange in 2018-2021.

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BNORMAL RETURN WITH JANUARY EFFECT IN LQ45 COMPANIES ON BURSA EFEK INDONESIA

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ABSTRACT

This study aims to analyze whether there are differences in the abnormal return of LQ45 company stock before and after the January effect. The sampling technique used in this study was using the non-probability sampling method and from this method, data were obtained for 45 companies. The data source in this study is using secondary financial report data obtained from yahoo.finance.com. The method used in this research is the Event Study, where the Event Window in this study consists of 7 days before and 7 days after the January Effect. Variable data results are tested using classical assumptions using only the normality test and the hypothesis testing method using the paired sample test. The results showed that there was no significant difference in Abnormal Return before and after the January Effect in LQ45 companies listed on the Indonesia Stock Exchange. Managerial interest in performing window dressing is one of the references used by entity stakeholders in making decisions.
Keywords: Abnormal Return, January Effect

INTRODUCTION

Currently the capital market in Indonesia is still not efficient because the capital market in Indonesia is still less sensitive to information according to the efficient market hypothesis, where an efficient market is a market that can quickly find relevant information, the faster new information is reflected in security prices, the more efficient it will be also the capital market. A market is said to be efficient if no one, both individual investors and institutional investors, will obtain abnormal returns, after being adjusted for risk, and by using existing trading strategies (Pradnyaparamita and Rahyuda, 2017). Market anomalies are evidence that rejects or at least does not support the existence of an efficient market theory that appears in all forms of efficient markets, be it weak, semi-strong, or strong, which can be exploited to generate abnormal returns (Indrayani, 2019).

Abnormal return can be in the form of profit or positive value if the difference in return obtained is greater than the expected return or it can also be negative if the return obtained is less than the expected return (Saofiah et al., 2019). Abnormal returns are usually caused by several factors, for example dividend announcements, productive company announcements, increasing interest rates, lawsuits and others, all of which can contribute to abnormal returns. The debate about efficient markets is still common today. A number of studies have emerged stating that there are market anomalies which are deviations from the efficient market hypothesis which can affect stock prices (Limantara, 2020; Darmawan, 2018; Saerang & Hutapea, 2017; Puspita, 2019). One of the evidences of deviations with seasonal patterns can occur at the turn of the year, namely the January Effect.

The phenomenon of the January effect is not always found in every observation period because it depends on the actions of investors in interpreting each event to get a higher return. According to Capital Connection Analyst Alfred Nainggolan (2018) quoted from www.kontan.co.id "looking at the January effect this time it seems that this year's stock market will not occur. This is because every December, portfolio managers and investment managers always have an interest in beautifying performance in that year so that positive returns are felt at the end of the year. After the window dressing action, investment managers and portfolio managers will no longer have an interest at the beginning of the year so that the potential January effect is unlikely to be felt in 2018.

Although, the January effect may not occur, an increase during the first half of 2018 is still possible. The presence of positive sentiments during the first half of this year provides the potential for the JCI to continue increasing in the first six months of this year. Research on the occurrence of the January effect was carried out previously, showing that there are differences in abnormal returns each year (Faiq and Mahardika, 2019). This does not prove that the January effect anomaly occurs in companies listed on the LQ45 Index in the 2015-2017 period because they do not show abnormal returns which are always positive in January and are not always higher when compared to other months. This is supported by Yunita and Rahyuda, 2019 and Saofiah et al., 2019 which prove that the January effect does not occur on abnormal returns.

While the results of the study which stated that in Indonesia there was a January effect on LQ45 companies on the IDX during the period February 2009 to January 2014 resulted in a January effect occurring on the IDX, especially for companies that successively entered the LQ45 index (Pradnyaparamita and Rahyuda, 2017 ; Indrayani, 2019). The difference in the results of this study is one of the reasons for the need for further research. This research was conducted to become material for consideration whether or not the January effect occurred in LQ45 index companies. Basically, the cycle of preferred stock turnover and common stock always changes in structure every period.

H_1: There is a significant difference in abnormal stock returns before and after the January effect.

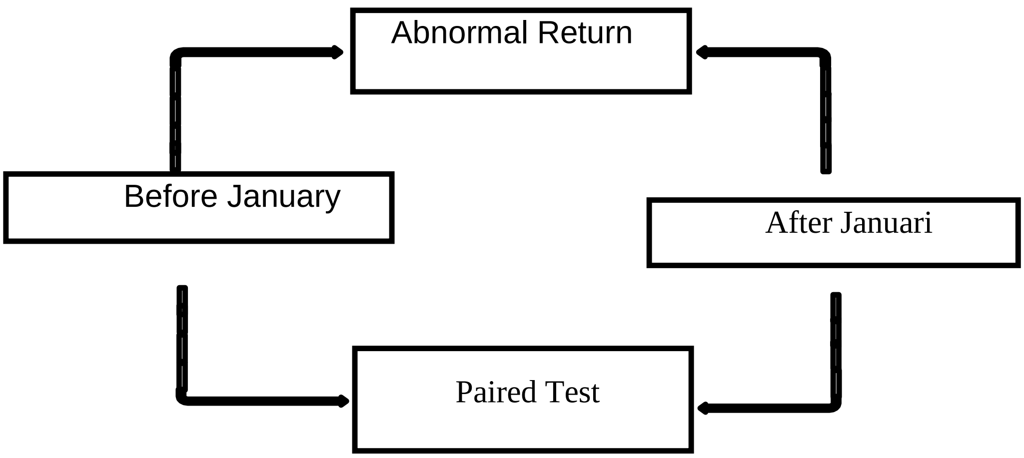

Figure 1 Conceptual Framework

RESULTS AND DISCUSSION

Descriptive Statistical Analysis

Table 1 Descriptive Statistics

N		Minimum	Maximum	Mean	Std. Deviation
7 Days Before	45	-86,00	88,00	-,3333	35,93175
7 Days After	45	-133,00	142,00	-,7111	61,54770
Valid N (listwise)	45				

Sumber : Output Spss 25 (2023)

The minimum values for the abnormal returns of all samples in each observation period before and after the January effect are -86.00 and -133.00. Then the highest maximum value for abnormal returns occurs before the January effect event, which is 88.00 and the maximum value after the January effect event is 142.00. The average abnormal return before the January effect was -3333 with a standard deviation of 35.93175 and then decreased after the January effect to -7111 with a standard deviation of 61.54770.

Hypothesis testing

Table 2 Paired Samples Test

	Paired Differences			T	Df	Sig. (2-tailed)
	Mean	Std. Deviation	Std. Error Mean			
Pair 1 7 Days Before – 7 Days After	.37778	80.67902	12.02692	.031	44	.975

Sumber : SPSS 5, (2023)

The hypothesis put forward in this study is that there are differences in abnormal stock returns before and after January for securities in LQ45 companies listed on the Indonesia Stock Exchange. This test uses the Paired Samples T-Test, which compares abnormal returns on the 7 days before January and 7 days after January. The criteria for testing the hypothesis are:
If tcount > ttable then H0 is rejected and vice versa Ha is accepted
If tcount < ttable then H0 is accepted and vice versa Ha is rejected

DISCUSSION

The ability of investors or users of financial information to determine their decision is greatly influenced by the behavior of company managers who at the end of the period provide strong signals in order to improve their year-end reports so as to generate positive returns (Wulandari, 2019). This clearly has an impact on the January effect which is no longer a frequent phenomenon. Increasing economic activity in each entity also gives color to every decision (Esana, 2017; Purnamasari, 2019).

The results of this study are also supported by the opinion put forward by Yunita and Rahyuda, (2019) which states that there is no difference in abnormal stock returns in January with other months so it can be concluded that the January effect phenomenon does not occur in LQ45 companies on the Indonesia Stock Exchange. Then supported by other researchers Faiq and Mahardika, (2019) who stated that there are differences in stock returns and abnormal returns in each month, but this does not prove that the January effect anomaly occurs in returns which are always positive in January and not always higher. when compared to other months and Saofiah et al, (2019) in terms of abnormal returns as a whole there is no January effect phenomenon in the LQ45 stock group on the Indonesia Stock Exchange.

Several reasons why the January effect phenomenon does not occur are because portfolio managers and investment managers always have an interest in beautifying performance that year so that positive returns are felt at the end of the year (Eduwinsah, 2018; Sasmikadewi, 2017; Primajati & Ahmad, 2018). After the window dressing action, investment managers and portfolio managers will no longer have an interest at the beginning of the year so that the potential January effect is not felt in January. In addition, the phenomenon of the January effect is not always found in each observation period because it depends on the actions of investors in interpreting each event, if investors wait and see to buy shares then the January effect phenomenon does not occur.

Other incidents of the occurrence of the January effect are due to the company's desire to look better as reflected in the annual financial statements, so that company managers sell shares that are considered to have small value at the end of the year and will buy them back at the beginning of the year.
Events that also occur in the January effect can occur due to several reasons, such as the motives of companies who want to look perfect in presenting their annual financial reports, so that middle managers tend to sell their shares which are estimated to have a small value at the end of the year. and at the beginning of the year, they will buy back the shares (Indrayani, 2019).

CONCLUSION

Based on the results of the research and discussion previously described regarding the analysis of abnormal returns before and after the January effect on LQ45 company shares on the Indonesia Stock Exchange, the researcher can conclude that there is no difference in abnormal returns before and after the January effect. This is evidenced by the results of the paired sample t-test on Abnormal Return 7 days before and 7 days after January. It can be seen from the tcount of 0.031 which is smaller than the ttable of 1.680 with a significant t (0.975) greater than $\alpha = 0.05$ in LQ45 companies on the Indonesia Stock Exchange. The managerial interest in doing window dressing at the end of the period is one of the strong reasons why the January effect rarely occurs.

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THE INFLUENCE OF IMPLEMENTATION OF INTERNAL CONTROL SYSTEM AND ORGANIZATIONAL CULTURE ON FINANCIAL ACCOUNTABILITY

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A B S T R A C T

This research was conducted against the background of a phenomenon that occurs in Indonesia, namely the poor quality of financial reports, which is indicated by the opinion of the Supreme Audit Agency that there are still disclaimers. This study aims to analyze the effect of implementing internal control systems and organizational culture on financial accountability. The results of this study are expected to increase financial accountability. With the implementation of a good internal control system and a good organizational culture, it is expected to increase financial accountability. The method stage that will be carried out is starting with a survey to 17 agencies within the Maritime Security Agency. The population in this study were officials who made commitments, internal auditors and accounting staff and financial management staff. The sampling technique used is a saturated sample, where all members of the population are sampled. The number of samples in this study were 52 people. The data were analyzed using the Structure Equation Model (SEM model) and the Smart PLS (Partial Least Square) software used as an analytical tool in this study. The steps are: designing the Inner Model (structural model), designing the Outer Model (measurement model), evaluating the Outer Model (measurement model), Evaluation of the Inner Model (structural model) and testing the hypothesis. The research data used came from questionnaires collected from commitment makers, internal auditors and accounting staff as well as financial management staff who were respondents in this study. The benefit of this research is to contribute scientifically to the science of financial accounting and the public sector and solve problems for the central government in improving financial accountability. The results of this study state that the internal control system has no effect on financial accountability while organizational culture has a significant effect on financial accountability in a positive direction.

INTRODUCTION

The Central Government Financial Report (CGFR) has been compiled since 2004 as a transparent and accountable state financial accountability which is a consolidated Financial Statement of State Ministries / Institutions (FSMI). The results of the BPKRI audit of the Central Government Financial Statements from 2015 to 2019 did show good progress but there were still entities that obtained a Disclaimer opinion. This is a phenomenon that is still happening today. The development of opinion on the Central Government Financial Statements can be seen in the following table:

Table 1 Opinion Development of LKKL, LKBUN and LKPP

Opinion	Year				
	2015	**2016**	**2017**	**2018**	**2019**
Unqualified Opinion	56 KL	73 KL	79 KL	81 KL	84 KL
Qualified Opinion	25 KL	8 KL	6 KL	4 KL	2 KL
Disclamer	4 KL	6 KL	2 KL	1 KL	1 KL
Number of Reporting Entities	85 KL	87 KL	87 KL	86 KL	87 KL
LKBUN	WDP	WTP	WTP	WTP	WTP
LKPP	WDP	WTP	WTP	WTP	WTP

Source: IHPS II BPKRI for LKPP Year 2019

In 2019, the Maritime Security Agency received a 'No Opinion'/disclamer opinion, indicating a weak internal control system. This decision prevents the State Ministry/Agency from proposing a larger budget due to insufficient good governance implementation. BPKRI's findings against LKPP highlight the importance of implementing a good internal control system. Financial reports must be linked to good governance, as organizational culture drives loyalty, decision-making, creativity, leadership, communication, and collaboration. Financial reports are prepared to support transparency and accountability, as per Government Regulation No. 71 of (2010) concerning Government Accounting Standards. The research aims to achieve publication in international journals, as per the target plan.

LITERATURE REVIEW

Stewardship Theory

Stewardship theory posits that the government acts as a steward, ensuring awareness, wisdom, and community benefit. This theory explains the government's role as a trusted institution, providing good service, and entrusting financial accountability for economic goals and community welfare. It is often referred to as management theory and has fundamental assumptions.

Internal Control System

COSO (2012, p. 1) Internal control is a process by an entity's board of directors, management, and personnel to ensure the achievement of objectives related to operations, reporting, and compliance. It involves procedures and policies to safeguard assets, check data accuracy and reliability, promote operational efficiency, and encourage adherence to managerial practices. According to Government Regulation Number 60 of 2008, the Internal Control System is an integral process carried out continuously by leadership and employees to provide confidence in organizational goals through effective, efficient, and reliable financial reporting.

Organizational Culture

According to Harrington (2018, p. 34) Organizational culture is the foundation that drives loyalty, decision-making, creativity, leadership, communication, and collaboration within an organization. It guides daily behavior, directs actions, and promotes exchange of good values and management systems among employees. This framework guides daily behavior and directs actions towards achieving organizational goals.

Financial Accountability

According to Boven et al. (2014, p. 4) "Accountability is a critical rule and enforcement mechanism the social psychological link between individual decision-makers on the one hand and social systems in the other". Ghartey (1987) argues: "Accountability is intended to find answers to questions related to the service, what, who, whom, whose, where and how. Questions that need answers include what must be accounted for, why accountability must be submitted, to whom the responsibility was handed over, who is responsibility to various parts of the activities in the community, whether accountability go hand in hand with sufficient authority and so on.

Conceptual Framework

Internal control is a process influenced by organizational leaders and management to ensure goals are achieved (Elder, et al, 2012). Research shows that the implementation of internal control systems affects financial accountability, financial report quality, and human resource competence. While the relationship between internal control systems and financial accountability is weak, it is crucial for promoting financial accountability. Overall, internal control systems play a crucial role in ensuring organizational success. The research model can be seen in the following figure:

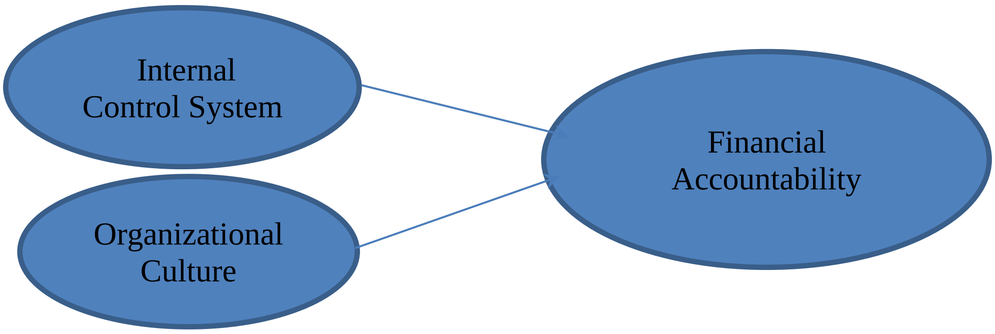

Figure 1 The Theoretical Model

Based on the framework stated earlier, the research hypotheses can be arranged as follows:

H$_1$: There is a positive significant influence of internal control system on the financial accountability

H$_2$: There is a positive significant influence of organizational culture on the financial accountability

METHOD

This exploratory study examines the influence of internal control system and organizational culture on financial accountability. Financial accountability involves managing resources and implementing policies to achieve goals. The internal control system ensures organizational goals are achieved through efficient activities, reliable financial reporting, and compliance with legislation. Organizational culture is a system of values, beliefs, and norms that are agreed upon and followed by members. The target population includes Commitment Making Officers, internal auditors, accounting staff, and financial management staff at 17 agencies within the Maritime Security Agency in Indonesia. A saturated sample of 52 people was used for the study.

Table 2 List of Research Sample Members

No	Name of Agency Scope of Bakamla	Amount
1	Planning & Organization Bureau	2 person
2	General Bureau	13 person
3	Bureau of Facilities and Infrastructure	3 person
4	Inspectorate	4 person
5	Law Enforcement Unit	2 person
6	Directorate of Data and Information	3 person
7	Legal Directorate	3 person
8	Directorate of Cooperation	2 person
9	Directorate of Marine Operations	3 person
10	Directorate of Maritime Air Operations	3 person
11	Directorate of Training	2 person
12	Directorate of Marine Security Policy	2 person
13	Directorate of Marine Security Strategy	2 person
14	Directorate of Marine Security Research and Development	2 person
15	West Maritime Zone Marine Security Office (Batam)	2 person
16	Central Maritime Zone Maritime Security Office (Manado)	2 person
17	East Maritime Zone Marine Security Office (Ambon)	2 person
	Total	**52 person**

Source: processed from interviews (2021)

The study analyzed data using SEM and Smart PLS software, designing the Inner, Outer, Outer, Inner, and Testing Hypothesis models.

RESULTS

Description of Research Objects

The variable of Financial Accountability is measured by 5 dimensions that are reflective, which are described in the table below:

Table 3 Variable Description of Financial Accountability

No	Dimensions	Average
1	Legal Accountability and Honesty	4.37
2	Managerial Accountability	4.29
3	Program Accountability	4.42
4	Policy Accountability	4.36
5	Financial Accountability	4.39
Average		4.37

Source: Results of smart PLS data processing

Table 3 shows Maritime Security Agency's financial accountability is excellent, with an average value of 4.37 across five dimensions. The variable of Internal Control System is measured by 5 dimensions that are reflective, which are described in the table below:

Table 4 Variable Description of Internal Control System

No	Dimensions	Average
1	Control Environment	4.32
2	Risk Assestment	4.26
3	Control Activity	4.17
4	Information & Communication	4.32
5	Monitoring	4.39
Average		4.29

Source: Results of smart PLS data processing

Table 4 shows Indonesian Maritime Security Agency's Internal Control System has an average value of 4.29. The organizational culture variable is measured by 4 dimensions that are reflective, which are described in the table as follows:

Table 5 Variable Description of Organizational Culture

No	Dimensions	Average
1	Power Distance	4.43
2	Individual vs. Collectivism	4.32
3	Masculine vs. Feminism	4.43
4	Rejection of Uncertainty	4.26
	Average	4.36

Source: Results of smart PLS data processing

Table 5 shows Maritime Security Agency's organizational culture has an average value of 4.36, indicating good performance.

Validity and Reliability Test

The validity test confirms that Internal Control System, Organizational Culture, and Financial Accountability are valid variables. The correlation coefficient is positive and significant, indicating higher item validity. The results of the validity test for each variable can be seen in the following figure:

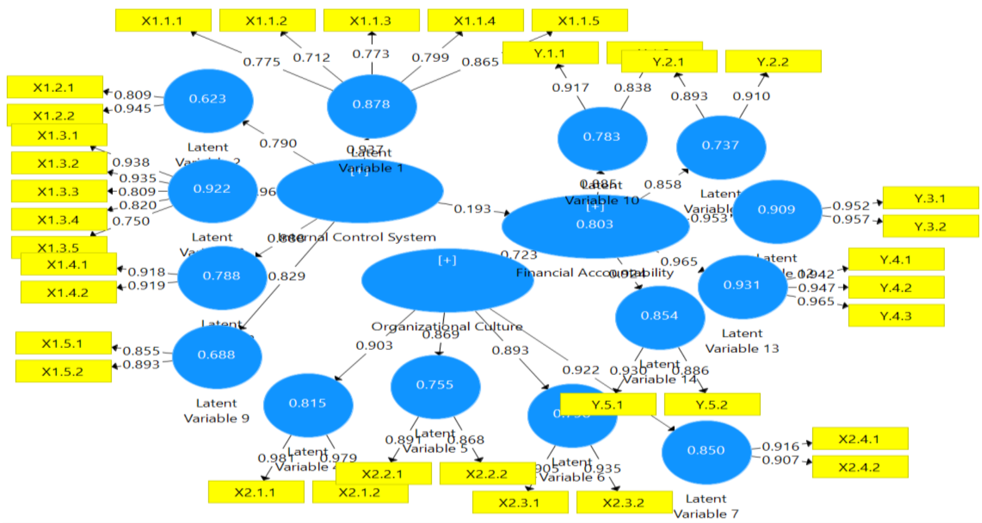

Figure 2 Diagram of Path & Loading Factor of Research Variables

The path diagram demonstrates convergent validity with indicator values above 0.5, and all loading factors are significant at the 5% level. Reliability test results show positive Alpha-Cronbach coefficients for all variables, indicating instrument reliability. The results of the reliability test for each variable can be seen in the table below:

Table 6 Reliability Test

Variable	AVE	Cronbach's Alpha	Composite Reliability	Description
Internal Control System (X1)	0.586	0.951	0.957	Reliable
Organizational culture (X2).	0.686	0.934	0.946	Reliable
Financial Accountability (Y)	0.725	0.960	0.966	Reliable

Source: Results of smart PLS data processing

The reliability results show Organizational Culture, Good Governance, and Accounting Fraud have Cronbach's Alpha above 0.6 and Composite Reliability above 0.7, indicating sufficient reliability and ability to measure constructs.

Evaluation of the Goodness of Fit of the Structural Model (Inner Model).

Table 7 R Square

Variable	R Square
Financial Accountability (Y)	0.803

Source: Results of smart PLS data processing

The R^2 value for the Financial Accountability variable is 0.803, this means that the variable Financial Accountability is explained by the Internal Control System and the Organizational Culture variables of 80.3%, the remaining 19.7% is influenced by other variables not in the research model.

Hypothesis testing

The dimensions are ca- pable of measuring each construct, as shown in Table 8:

Table 8 Path Coefficients

Relationship Between Variables	Parameter Coefficient	T Statistics	P Values	Information
Internal Control System=> Financial Accountability	0.193	1.287	0.199	Not Significantly Influence
Organizational Culture => Financial Accountability	0.723	5.219	0.000	Significantly Influence

Note: Significant at the 5% level

The path parameter coefficient for the influence of Internal Control System and organizational culture on Financial Accountability is 0.193, indicating no significant effect. The coefficient for organizational culture is 0.723, indicating a significant positive effect.

DISCUSSION

Effect of Internal Control System Implementation on The Financial Accountability. The hypothesis test indicates that the implementation of an internal control system does not impact financial accountability, indicating that it does not contribute to financial accounting. This suggests that efforts are needed to ensure effective implementation in accordance with regulations. This finding aligns with previous research by Nurlis & Yudiati (2017), which found no effect on the quality of financial reports. However, these results differ from previous studies that generally show that the implementation of an internal control system affects the quality of financial reports such as research conducted by Kewo & Afiah (2017), Agbenyo et al. (2018), Lari Dashtbayaz et al. (2019)

Effect of Organizational Culture on The Financial Accountability

As the results of hypothesis testing, that organizational culture has a significant effect on financial accounting. The direction of the influence is positive, namely the higher the organizational culture, the greater the financial accountability. Implementation of a good organizational culture is an important factor affecting financial accountability. The results of this study are in line with Abdullah's (2010) research which shows that organizational culture has a significant effect on financial accountability, Oktaviyanti et al. (2017) show that organizational culture affects the quality of financial reports. However, unlike the results of research by Lazuardi and Muhtarom (2017), Patty (2019) and Satriawan et al. (2016) which states that organizational culture has no significant effect on the quality of financial reports.

CONCLUSION AND SUGGESTIONS

The study found that the Internal Control System implementation does not significantly impact financial accountability. However, organizational culture significantly impacts financial accountability. To improve financial accountability, the Maritime Security Agency should focus on improving internal coordination and leadership commitment, as well as fostering a positive organizational culture. This will ultimately lead to better financial accountability.

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INTEGRATED REPORTING PRINCIPLE (VALUE CREATION): OVERVIEW OF THE RELIGIOSITY PARADIGM

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ABSTRACT

The paper discusses the creation of value as the concept of balance and harmony of outward value and inner welfare. The conventional accounting base of the profit moves on to the value creation of stakeholders through sustainability strategies, leading to the evolution of financial statements that lead to Integrated Reports. Such modern financial statements require harmony with religious values such as truth, honesty, and fairness. The emphasis on strategies that emphasize the accomplishment of material profit and non-material benefits in a balanced manner reflects the religious value in the integrated reporting principle. To reduce information asymmetry and mitigate future risks, we build information connectivity with the value of truth and honesty. Stakeholder relations by aligning all stakeholders and making God the highest stakeholder. Materiality, reliability, and completeness in financial statements are a manifestation of fairness and honesty that is informed to the public. People need these religious values in integrated reporting to increase stakeholders' confidence, especially Muslim stakeholders to fulfill their spiritual needs.
Key Words: Integrated Reporting, Value Creation, Religiosities

INTRODUCTION

Value creation in the religiosity paradigm is not just creating value for stakeholders through a sustainability strategy but is a process of creating a balance and harmony of external values accompanied by inner well-being to give grace to all of nature (rahmatan lil alamin). These values stem from monotheism so business management must provide benefits to humankind and the environment, God created all of nature with perfection, and the company must comply with the regulations that have been set.

The financial reports needed by users are not just accounting numbers that describe profit (profit) but also provide information related to information on prospects, risks, governance, social, environmental, and the company's business continuity. Changes in the demands of users of these financial statements give rise to the evolution of financial reports. This evolution starts from a simple reporting concept, where the orientation of the company focuses on assessing financial performance (profits), CSR reporting, and sustainability reporting (Elkington, 1997; Larrinaga & Bebbington, 2021), namely reports consisting of financial performance information, non-financial the company's financial and sustainable performance in the future (sustainable performance), and current trends in integrated reporting (IIRC, 2011;IIRC, 2016; Argento et al., 2019).

The Global Reporting Initiatives (GRI) developed a new reporting model called Integrated Reporting <IR> as a solution to address the need to measure and communicate corporate value creation (IIRC, 2011; IIRC, 2016). IR presents together material information about strategies, risks, opportunities, remuneration governance, and organizational performance that reflects the commercial, social, and environmental context in which the organization operates and has been implemented in several countries (South Africa (2011), Australia, several European countries, Asia including Indonesia (2013). It is expected that IR will improve the quality of company information and transparency, and it will show the relationship between financial, non-financial performance, and company sustainability reports in one document (Adams, 2015; Ara & Harani, 2020).

The financial reports require harmony between the information needs of stakeholders, moral and religious values. The application of Integrated reporting is a challenge for accountants because clients require more complex information. Information regarding the environment and society is not an accountant's expertise. In responding to this challenge, accountants must broaden their horizons regarding non-financial information from an early age. If <IR> reporting is implemented and made a mandatory requirement in Indonesia, accountants must ensure that organizational procedures are carried out that are honest, transparent, fair, and based on religious values and are accountable to God as the highest stakeholder.

DISCUSSION

This discussion consists of theory of evolution, evolution of financial statements, and the spirit of religious values in the principles of integrated reporting.

Evolution Theory

The theory explains the ability of creatures to survive natural selection. Natural selection requires organisms to compete in an ever-changing environment to survive. Darwin states that "it is not the strongest of the species that survives, nor the most intelligent, but the one most responsive to changers (Mayr, 2010). This theory of evolution is in line with the Islamic concept which states that change is a natural law (Sunnatullah). God, the creator, created nature as a "creature". Humans as creatures will experience the law of change through their experiences. Therefore, humans as businesspeople will experience changes in line with the development of their business. Stakeholder demands for accountability make financial reports change according to the company's information needs.

Evolution of Financial Statements

Evolution started from a simple reporting concept with an assessment of financial performance in the form of profit as the main measure. The process of obtaining profits maximizes profits in traditional financial reports, regardless of the consequences for stakeholders. From the weaknesses of the report, Elkington (1993), developed a report focusing on the 3P concept (profit, people, and planet) or known as the Triple Bottom Line Concept. Companies report non-financial performance regarding the impact of their activities on the environment and society (Lamberton, 2005), CSR reporting, namely reporting or integration between economic, environmental, and social aspects without neglecting profit which is the orientation of shareholders (Velte, 2022).

Sustainability Report (Elkington, 1997), namely a report that contains not only financial performance information but also non-financial information consisting of information on social and environmental activities that enable companies to grow sustainably (sustainable performance), but financial and performance reports environmental and social are still two separate reports

(Eccles, 2012; Hřebíček et al., 2014; Larrinaga & Bebbington, 2021). The current trend is that companies are starting to realize the need to combine financial reports with sustainability reporting aspects and in a single report called the integrated report. Integrated reporting by presenting together material information about the strategy, governance and remuneration, performance, risks, and prospects of an organization that reflects the commercial, social, and environmental context (IIRC, 2016; Argento et al., 2019; Soriya & Rastogi, 2022)

The Spirit of Islamic-Religious Values in the Principles of Integrated Reporting.

The business world has recognized the accounting profession as having an important role. They have the responsibility to participate in efforts to adopt the spirit of religiosity in the implementation of Integrated Reporting in the business realm. Corporations and other business entities can implement the religious spirit by adopting this integrative concept into business practices. Alignment between the theoretical concepts of Integrated Reporting Principles and the spirit of religiosity, conceptual ideas are developed through the five basic principles of Integrated Reporting. The five principles can be seen as follows:

Strategic Focus.

Integrated reports describe an organization's goals and resources in creating and sustaining organizational value. In Islamic business, business strategy is also called competitive strategy and how to create short-, medium- and long-term value. Islamic business strategy integrates various functional activities to achieve goals These goals cover four things: (a) Targets and results (b) Growth (c) Sustainability and (d) Blessings (Alimuddin & Ruslan, 2021).

Connectivity of Information.

Connectivity of information related to integrated reporting elements includes organization and external environment, strategy and resource allocation, governance, business models, risks and opportunities, performance, outlook, and presentation basis. These elements are interconnected and not mutually exclusive. In Islamic business practices, all these elements are framed in the form of honesty and truth values. Organizations are run not solely for profit but also for social benefits and environmental sustainability. All resources are used effectively and efficiently but do not over-exploit nature.

Future Orientation.

Business people always strive to reduce risk to predict the level of uncertainty and increase profits. In Islam, risk reduction is carried out through a mudharabah contract where ownership of capital is not based on risk but on ownership of goods or work results. Production risk related to inventory, the company must consider the risk of decreasing inventory value due to damage, loss or defective products that can result in a decrease in wealth.

Stakeholders Relationships.

The concept of stakeholders from conventional stakeholder theory still has a fundamental deficiency, in which entities in carrying out their business do not connect God with their activities. God, as the owner of the universe, is the highest stakeholder in an Islamic perspective, and all human actions must be aligned with Him. Carrying out God's commands and prohibitions related to aqidah, sharia, and morals allows humans to establish relations with Him. Chapra and Ahmed (2002:14) state that "the most important stakeholder in the case of Islamic finance is Islam itself" meaning that the most important stakeholder is God, so Islamic values must underlie business practices.

Materiality, Reliability and Completeness.

Honesty is a characteristic and moral trait that becomes the identity of believers. Religion will not stand upright without being based on honesty and life will not go well. (Qardhawi, 2000a). Business will not run well if it is not based on the honesty of the owners and employees of the company. Financial statements are the result of a combined process of transactions or events. The materiality of the financial statements affects the relevance of information. Information is considered material if an error in recording the information can affect a decision. Accounting transactions must be carried out transparently and prohibit bai'ul gharar because one party does not know the condition of a product to the detriment of others (Arifin, 2010).

High awareness of moral values and religiosity in the principles of Integrated Reporting is not intended to replace the current concept of financial reporting. This conceptual idea is understood as a transformation step over the conventional reporting concept into a more advanced concept. Religious values in religious teachings are related to honesty, sincerity and justice or the harmony of life with wisdom, love, compassion, understanding, and empathy practiced in earnest, then these principles can bring humanity into behaviors that lead to harmony life (Sudana, 2016; Triyuwono, 2016).

CONCLUSION

The change in the business paradigm towards value creation shows that people are increasingly aware of the importance of moral and religious values. This awareness triggers changes in society regarding ethics and social responsibility that have been neglected so far. The profit-oriented conventional accounting basis shifts to creating value for stakeholders through a sustainability strategy, giving rise to an evolution in financial reports that leads to integrated financial reports. In practice, these modern financial reports require alignment with the values of truth, honesty, and fairness, to foster public awareness of the importance of accounting that is built on Islamic values, so that these values can be upheld in social life. The implication of this article is that the Indonesian Financial Accounting Standards Board (DSAK) stipulates regulations regarding the obligation of companies to make integrated reporting based on the spirit of religious values, economic values, social values, and environmental values, so that the company's orientation is not only about profit maximization. The sustainability of the company in creating long-term value can be achieved by integrating these five value dimensions in financial reports and implementing them in sound business practices.

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EFFECT OF ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) AND FINANCIAL SLACK ON FIRM PERFORMANCE?

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ABSTRACT

The purpose of this study is to investigate the impact of ESG (Environment, Social, and Governance) and financial slack on firm performance. Property sectors registered based on IC (Industrial Classification) in the Indonesia Stock Exchange between 2020 and 2022 make up the population of this study. Samples were taken using the judgment sampling technique with a total sample of 214 observations. The data analysis approach employed is regression analysis and data testing was performed using STATA. The findings demonstrated that ESG influences firm performance as evaluated by Return on Asset (ROA). In other words, firm performance can increase with better ESG standards. The findings of this study also demonstrate that financial slack can boost the impact on firm performance.
Keywords: Firm Performance, Financial Slack, ESG

INTRODUCTION

One approach for businesses to enhance investor welfare is by increasing their profitability. This achievement can be improved through better firm performance. Al-matari et al., (2014), the company's performance is the first aspect that will be assessed by investors and other interested parties. Financial performance measurement is used to determine the results the firm has accomplished in accordance with the plan, therefore it may be used to measure overall firm performance (Muntiah, 2013). Firm performance is the ability to carry out business activities and the company uses it to determine the success of profitability (Riwukore, 2022).

Based on financial report data published on the Indonesia Stock Exchange (IDX), the financial performance of the property and real estate sector in recent years has recorded a large decline compared to the previous year (Ananda et al., 2022). Even in the last few years, the property sector has always been one of the most attractive sectors for foreign or domestic investors (Datanesia, 2023). Financial performance is one of the factors that is seen by potential investors to determine investment, so financial performance must always be better (Wijayanti, 2018). Implementation of good and correct performance has a positive effect on the company and produces a good reputation in the eyes of the public or investors (Ningwati et al., 2022).

Currently, the disclosure of non-financial factors such as ESG disclosure indicators by companies has the aim of providing additional information regarding the company's financial performance that has not been raised in annual report data or financial reports. The financial reports attached by companies often do not contain information such as company reputation, quality, brand equity, and security. Through the disclosure of information related to ESG disclosure, environmental, social, and corporate governance coverage factors can be displayed in company reports in more detail (Nugroho and Hersugondo, 2022). Environment, Social, and Governance (ESG) is believed to be able to encourage better firm performance (Alfaruq, 2021).

World-class institutions, such as Standard & Poor's, Bloomberg, and Fitch, among others, have evaluated how well companies operate in terms of environment, social, and governance (ESG) (Priandhana, 2022). Sustainability reports are applied to issuers based on the sector from 2019 and will be fully implemented in 2025 (Woro and Dewita, 2022). According to Noviarianti (2020), ESG is a standard of corporate investment practice that integrates and implements company policies in a manner that is consistent with environmental, social, and governance concepts. The state of the global industry that continues to grow, makes the company's business processes also develop. This economic progress has also been accompanied by a decline in environmental aspects with environmental damage in recent years (Husada and Handayani, 2021). According to the 2022 Environmental Performance Index, Indonesia's environmental preservation is classified as the lowest on a global and Asia Pacific regional scale (Ahdiyat, 2022).

Based on Kalia and Aggarwal (2023); Liu et al., (2022), and Naeem (2022), explain that ESG affects firm performance. Another study conducted by Pickwick and Sewelén, (2021); Junius et al., (2020), has different results in that ESG does not influence firm performance. In specific, there are no consistent conclusions about the impact of ESG on firm performance. This study refers to the research of Gao (2022), explaining the relationship between ESG and firm performance based on panel data. The first distinction between this study and earlier ones is the use of ROA (Return of Assets) instead of z-score normalization to measure financial success. ROA is a more accurate indicator of a company's profitability since it demonstrates how well management uses its resources to generate income (Kasmir, 2012).

The second difference in this study is the addition of financial as an independent variable between ESG and financial performance. Based on Duque and Caracuel (2021), explain that financial slack has an influence on financial performance, so financial slack becomes a positive effect on financial performance. Based on Chu et al., (2021); Guo et al., (2020), and Rafailov (2017), explain that financial slack affects financial performance. Another study conducted by Silalahi, (2015), has different results in that financial slack does not influence financial performance. The inconsistency of the research results on the effect of financial slack on firm performance is thought to be due to differences in managers' choices for investment, experimentation, and risk-taking that have performance. Financial slack can be sourced from management policies used to improve environmental sustainability and finance innovation or change and increase the company's response to environmental disturbances within the company (Latham & Braun, 2008).

As a result, this study supports the legitimacy theory and stakeholder theories. The findings can be utilized to advise management on appropriate corporate practices and boost business success. Also, the regulator will use this research as a source of information when determining the environment, society, and government. The stakeholder theory and legitimacy theory that is used to explain and suggest the tested hypothesis is covered in the next section. As a result, the research methodology section explains how this study was carried out. The research findings are presented and discussed in the results and discussion section. The conclusion and recommendations for further studies can be found in the last section of this research.

LITERATURE REVIEW

Legitimacy Theory

The business works to make sure that outsiders view its operations as "legal" (Degaan, 2006). There will, undoubtedly, always be discrepancies between the values upheld by the business and those maintained by the community. A "legitimacy gap," or discrepancy between corporate and social norms, can make it difficult for a corporation to carry on with its operations. The broad perception or idea that an entity's acts are desirable, legitimate, or suitable in some socially constructed system of norms, values, and beliefs. Based on Suchman’s (2014), legitimacy theory stated that companies must pay attention to each of their activities so that they are in accordance with the social values and norms that apply in the community where the company is located so that the company gains legitimacy from the community

Legitimacy can be a very crucial consideration for businesses planning future expansion strategies. Hadi (2014: 87) claims that the psychological condition of people and groups that choose sides and are extremely sensitive to environmental symptoms in both the physical and non-physical environment is legitimate. In other words, legitimacy is determined by the community's response, and the corporation seeks that response. According to this viewpoint, legitimacy can be viewed as a resource that the corporation may use to further its mission of survival. Hadi (2014: 87) defines legitimacy as a management philosophy of businesses that emphasizes alignment with the community, local governments, and community organizations. Based on Meutia (2010: 78) equates legitimacy with the belief that group procedures are legitimate.

Stakeholder Theory

Stakeholder theory is one of the strategic issues surrounding how companies manage relationships with stakeholders (Bani-Khalid & Kouhy, 2017). According to this theory, companies must pay attention to and benefit stakeholders because their existence can influence or be influenced by policies taken by companies in their business activities. The concerned stakeholders don't just concentrate on the shareholders. It is intended that the support and attention offered by these stakeholders would be able to positively affect the company's performance, notably through investment support or capital involvement that can improve the business.

According to Hadi (2014: 93), stakeholders are people or groups that the business can affect. Both internal and external stakeholders, including the government, rival businesses, nearby communities, workers, and non-governmental organizations (NGOs), may have an impact on or be influenced by the firm. Deegan (2004) introduced the idea of stakeholder theory, which showed that management has a fiduciary duty to all stakeholders, not just shareholders. Stakeholder interests must all be taken into account equally by management, and each stakeholder has a minimum standard that cannot be disregarded.

ESG

ESG is a socially constructed phenomenon (Eccles et al., 2020). ESG refers to a company's corporate governance, social responsibility, and environmental initiatives. ESG is essentially the collection of environmental, social, and governance activities carried out by any firm with the aim of ensuring its sustainability and meeting the needs of all stakeholders while preserving and boosting its financial worth (Naeem and Çankaya, 2022). Publicly traded firms have seen an increase in the use of ESG disclosures in recent years as they try to involve stakeholders, meet investors, build credibility, and respond to crises and competition in their industries. various industries (Olsen et al., 2021). ESG is a development of corporate social responsibility (CSR) and socially responsible investing (Chen and Xie, 2022).

Firm Performance

Firm performance is a picture of the condition of a firm in a certain period of time which is the result of operational activities carried out by utilizing the resources (Abdillah, 2022). According to Sianturi (2020), a company's financial performance is a description of a company's financial condition which is analyzed using financial analysis tools so that it can be known about the company's financial condition that reflects work performance in a certain period. It is imperative for a company to maintain and improve financial performance so that these shares remain in demand by investors (Islamiya, 2016).

The company's financial performance is one of the factors considered by potential investors to determine investment (Abdillah and Mennita, 2022). The good and bad conditions of a company can be described through the financial performance of the company (Sartini et al., 2023). This can be known by conducting analysis using financial analysis tools to find out the pros and cons of a company's financial condition and financial performance at a certain time (Wibowo & Faradiza, 2014).

Financial Slack

Financial slack can be sourced from management policies used to improve environmental sustainability and finance innovation or change and increase the company's response to environmental disturbances within the company (Latham & Braun, 2008). Financial Slack can be a useful resource for organizations to help achieve organizational goals (Vanacker et al., 2013). A concept called "financial slack" relies on the idea of "financial reserves as a buffer" and "accessible financial resources may enable organizations to develop and grow more quickly." (Jaber and Yasir, 2022). Financial slack is the least absorbed form of slack, especially because this slack can be fully divided and separated for the allocation of various activities (Greve, 2003).

Based on Beuren et al., (2014) there would be evidence of an inverse relationship between slack and short-term performance -although in the long term, there is a decrease in effect. The basic definition of financial slack is that resources include potential or actual resources that can help any organization successfully adapt to change (Bourgeois, 1981; Meyer, 1982).

The Influence of ESG on Firm Performance

Non-financial disclosures like ESG are anticipated to transform into a societal investment to satiate stakeholder interests, which will subsequently improve firm performance (Sarasmitha et al., 2022). Due to the increased attention that sustainability initiatives receive from company stakeholders, businesses will experience higher demand and greater development (Buallay, 2019). ESG disclosure is also a tool to gain strong legitimacy in the eyes of society and stakeholders so this disclosure it is hoped that a good image for the company can be created (Triyani et al., 2020).

According to the legitimacy hypothesis, it is anticipated that the corporation would keep looking for legitimacy among people who have an interest in it both directly and indirectly. ESG is a tool for businesses to keep up their credibility. Stakeholder theory and some recent empirical research support the idea that ESG will boost firm performance. Based on Kalia and Aggarwal (2023); Liu et al., (2022), and Naeem (2022), explained that in general the results of research conducted on the relationship between ESG and finance performance showed positive results. Thus, the hypothesis regarding the effect of ESG on firm performance is

H^1: ESG has a positive effect on firm performance

The Influence of Financial Slack on Firm Performance

Concerns are raised by the lack of funding for public education on environmental and social issues, highlighting the relationship between easier access to knowledge and ESG participation. More individuals are choosing products based on brands. Customers do so because they think they have a chance to positively impact the world. Transparency in digital technology makes it simple for the consumer to determine which brands are socially responsible. Schuler and Cording (2006) found that there is a greater chance that ESG will improve firm performance. Financial slack is firm performance. Thus, it's crucial to consider how to train management to create ESG behaviors that genuinely consider stakeholders, boost sustainability, and enhance financial success. Stakeholder and financial slack working together can give the business a competitive edge (Yulinda et al., 2022). Based on Grisales and Caracuel (2021), explained that financial slack strengthens on firm performance. Thus, the hypothesis regarding the relationship of financial slack between ESG and firm performance is

H^2: Financial Slack has a positive effect on firm performance

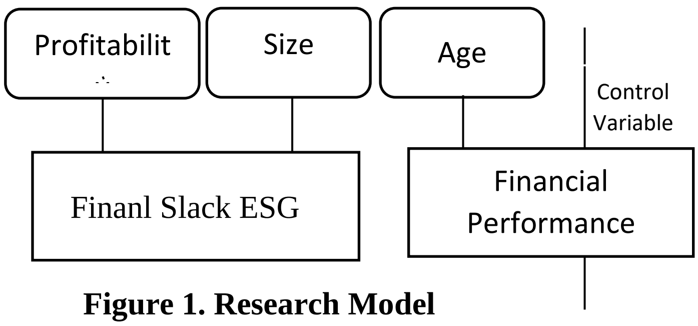

Figure 1. Research Model

RESEARCH METHOD

Firms in the property sectors listed on the Indonesia Stock Exchange make up the study's sample on IDX-IC. The firms that publish audited annual reports in Rupiah from 2019 to 2021 make up the sample. There are evaluated these criteria, this study got a final sample of 214 firms with a total of 258 observations with details in the following Table 1:

Table 2. Operationalization of variables

Variable	Definition	Indicator
FP	An economic metric known as "firm performance" measures a company's efficiency in using both its human and material resources to meet its objectives (Le, 2005).	Return on Asset = Net Income / *Total Assets x* 100%
ESG	ESG reporting variables were determined as the total number of items offered in each GRI guideline divided by the number of items disclosed in sustainability reports (Oehoedoe et al, 2022)	ESG= Number of items disclosed/the total number of items of GRI guideline
FS	Cash flow and financial slack, which is determined by free cash flow to total assets, are positively connected (Chipeta and Nkiwane, 2020)	Financial Slack= Free cash flow / total assets
Leverage	The percentage used to compare the assets financed by long-term and short-term debt of the company (Pahuja, 2009).	Debt Ratio = The Total of Amonut Debt/ Total Assets
Age	The duration of the firms listing on the Indonesia Stock Exchange is its age (Sudaryono, 2007: 110)	Establish of Company in IDX
Size	The size of the firm illustrates the company's resources.	Size = Natural log of total asset

The annual reports were obtained from the Indonesia Stock Exchange (www.idx.co.id) and the company's website. Regression analysis is used to maintain sample integration and control the effect of between variables (Ghozali, 2009:203). Data testing was performed using STATA. The operational definitions of each variable are shown in Table 2.

RESULTS AND DISCUSSION

The purpose of the descriptive statistical test is to provide a description of the study's object, including its minimum and maximum values as well as its average and standard deviation. The outcomes of descriptive statistical analysis on the variable in this study are displayed in Table 4.

Table 3. Descriptive statistics

Variables	N	Minimum	Maximum	Mean	Std. Deviation
FP	214	-11.50	13.90	03.62	03.79
ESG	214	00.02	00.94	00.57	00.77
FS	214	00.11	05.02	02.90	03.30
AGE	214	07.00	103.00	49.80	17.05
SIZE	214	03.09	27.55	14.90	04.38
LEV	214	00.07	526.33	80.06	75.01

Table 4 Results of Regression Analysis

	N	Coefficient	t-count	Sig.	R-Squared
FS	768	0.62	1.13	0.01*	
ESG	768	0.11	1.01	0.03*	
PROF	768	0.19	2.24	1.93	0,41
FAGE	768	-1.01	1.79	2.30	
SIZE	768	0.83	2.19	3.22	

Results of a common hypothesis test in the study utilizing the Shap-Wilk test revealed significantly higher scores than alpha (O.O62). As a result, each variable's residual model has a normal distribution. The Variance Expansion Factor (VIF) test, which is used to test the multicollinearity hypothesis, reveals that each independent variable's tolerance value and VIF value are individually larger than or equal to O.1O. As a result, no multicollinearity problems are discovered. The Brusch-Pagan model test and the variable variance hypothesis test both yielded significant values (Prob) above no variance issues.

The panel regression model between ESG and FS on FP was chosen for this study based on Hausman's test, producing a random effects model with a random effect size of 0.098. The independent variable almost entirely gives all the information required to predict the dependent variable, as indicated by the R-square value being close to 1. (Ghozali, 2016). This indicates that the R-squared scores are high and that the model's ESG and Financial Slack is excellent at describing the differences in FP.

ESG ON FP

The results of hypothesis 1 (table 4), statistically show a significance of 0.011 with a positive coefficient value. This result showed that H1 was accepted. Based on the results of the hypothesis testing, it can be seen that the research shows alignment with the stakeholder theory where the theory states that the existence of stakeholders or stakeholders has an influence on the running of FP through their support and trust. ESG is also seen as an activity that aims to maintain good relations with customers, who are key stakeholders for the company. Better relationships with employees and the environment will be able to create efficiency in the company's operations, which will ultimately strengthen the influence of ESG on the FP. This is in line with the stakeholder hypothesis, which holds that an organization's ability to sustain itself and grow will be influenced favorably by the support of its stakeholders. One benefit is that there won't be as many impediments to the company's improved image, which will lead to a rapid gain in market share and sales as well as more cost-effective costs.

The company's reputation among stakeholders and shareholders is something favorable. Stakeholders and shareholders respond favorably to the company by placing their trust in and approving the goods produces, ensuring that the business will continue to make substantial profits. An increase in profits continuously will automatically increase the value of company assets. Through disclosure of all aspects of ESG Disclosure, it is able to improve the reputation of the FP to stakeholders. In addition, through the ESG Disclosure as a whole, it turns out that it is also in line with legitimacy theory which in this theory states that the existence of conformity to the norms applied by companies in society has an influence on the running of FP with the ESG disclosure. Companies' ESG disclosure methods lead to the heterogeneity and immobility of firm resources (intangible resources), such as strong HR management procedures, a solid company reputation, and satisfied customers. The company will have a competitive advantage over other businesses that are competitors because it has more intangible resources.

The existence of the company's competitive advantage has an impact on increasing investor expectations of the company's future profitability. Previous research, according to Sahut and Pasquini, (2015), stated that the results of an investigation found a positive effect between ESG Disclosure and FP. This study, directly proportional to the research of Kalia and Aggarwal (2023); Liu et al., (2022), and Naeem (2022), that the higher the value of ESG disclosure, the company's performance will increase. Based on this opinion, disclosure aspects of environmental, social, and corporate governance as a whole can improve FP in the view of stakeholders both investors and society.

Financial Slack and Firm Performance

Results for Hypothesis 2 (Table 4) demonstrate a positive coefficient value and statistical significance of 0.041. This outcome demonstrated that H2 was approved. Overall, the findings are consistent with the main argument that there is merit in financial underutilization. While uncertainty has reached its peak, the increased financial flexibility it provides is having a significant influence on corporate performance. Only when a company's financial underutilization crosses a predetermined threshold can its performance improve. It would be preferable to do without an electronic Slack. Performance only increases after a company's financial underutilization is exposed over time. A non-electronic flute alternative would be ideal (Odum et al., 2019).

Financial slack can practically improve FP. Better use of financial slack will also have a positive impact on FP. The results of this study are in line with the research of Duque and Caracuel (2021), explaining that financial slack strengthens FP. Financial slack has a positive effect on FP.

CONCLUSIONS

This study aims to investigate how environmental, social, and governance (ESG) factors affect FP and financial slack in the property sectors based on Industrial Classification (IDX-IC), which is listed on the Indonesia Stock Exchange. The findings of this study offer empirical proof that ESG affects FP. Additionally, this research demonstrates that financial slack plays a part in enhancing the impact on FP in the property sector.

This study makes a number of theoretical and applied contributions. The theoretical contribution of this study, specifically the beneficial impact of ESG on FP can gain the support of the community. This study has shown that corporations may utilize ESG to change public perceptions of their actions as being socially responsible, increasing public trust and enhancing business performance. The second hypothesis—that the financial slack plays a positive role—is accepted using stakeholder theory, and thus amplifies the impact of ESG on business performance.

This finding backs up the stakeholder theory, which claims that when business performance rises, management tends to become more active in ESG than stakeholders do since they are aware that the actions taken have an impact on raising FP. The findings can be used as a guide for businesses across all market segments to examine how finances play a role in successful ESG implementation, which will inevitably have an impact on FP.

Several recommendations can be made based on the findings and restrictions of this study. In order to create sustainable development (sustainable development) in Indonesia, the government must first urge every enterprise in the country to adopt ESG. One method to do this is by establishing policies/laws that are firm and explicit concerning ESG practices and disclosures. Second, management should think carefully before implementing ESG practices in their organizations because ESG practices are thought to enhance future business performance.

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COMPARATIVE ANALYSIS OF ABNORMAL RETURN, CUMMULATIVE ABNORMAL RETURN AND TRADING VOLUME ACTIVITY: BOOSTER VACCINE STUDY EVENT

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ABSTRACT

This study aims to determine the differences in abnormal returns, cumulative abnormal returns and trading volume activity before and after the booster vaccine. The population in this study are pharmaceutical and transportation sub-sector companies listed on the Indonesia Stock Exchange for the period October 2021 to January 2022. The sampling method used in this study was saturated sampling and obtained 22 companies consisting of 11 pharmaceutical sub-sector companies, and 11 transportation sub-sector companies. The data analysis approach used for the hypothesis is paired sample t-test. The expected conclusion is that there is a difference between the abnormal return of the pharmaceutical sub-sector before and after the booster vaccine but there is no difference in the transportation sub-sector before and after the booster vaccine, cumulative abnormal return there is no difference in the pharmaceutical and transportation sub-sectors before and after the booster vaccine and trading volume activity there is a difference in the pharmaceutical and transportation sub-sectors before and after the booster vaccine. The implications of this research can be the basis for companies in developing their business and a reference source for investors in making investment decisions in related companies.
Keywords: Event study, Vaccines booster, Abnormal return, Cummulative abnormal return and Trading volume activity.

INTRODUCTION

The capital market is means for owner business For get term capital long and for investors to do investment period long (Samsul, 2015). Investors are also known as public general. The form of long-term capital offered is in the form of stocks or debentures. Shares are letters of evidence showing ownership or proof of equity participation in a company. Thus, a person or entity has a claim on income, company assets and the right to attend the General Meeting of Shareholders (Novianti et al., 2022).

On November 24, 2021 the World Health Organization (WHO) reported Appearance variant the new Corona Omicron virus which was first discovered on the African continent (Duarte, 2021) . On December 16, 2021, Indonesian Minister of Health Budi Gunadi Sadikin announce invention Omicron virus variant (Ruvic, 2021). After the announcement Omicron Index variant Price Share Composite (Indeks Harga Saham Gabungan [IHSG]) live swooping to the red zone . IHSG is in the position of 6,585.64 or weakened as much as 0.61% during the day . In fact, IHSG is in the green zone moment opening namely at the level of 6,648.28. IHSG still holding in the red on trading shares and closed at the level of 6594.79 weakened by 0.47% on December 16, 2021 (Afriyadi, 2021) . Due to circumstances this, the Indonesian government has develop policy prevention layered, with enforce policy journey international . Restrictions include anyone who has a history of traveling to regions or countries where Omicron is active (Wikanto, 2021). In addition, on January 3, 2022 President Joko Widodo held a limited meeting to discuss one of which decided that the government would start the third dose of Covid-19 vaccination (booster) on January 12, 2022 to anticipate the spread of the Omicron variant of the Covid-19 case(Adhi, 2022).

Based on background, then writer do study with title " Analysis Comparative *Abnormal Return, Cummulative Abnormal Return* and *Trading Volume Activity: Event Study* Vaccine *Boosters".*

Research on testing market reactions can be measured using abnormal returns. If the vaccine booster event in Indonesia contains issues, the market will react and generate abnormal returns. Conversely, if the incident does not contain news, there will be no abnormal return. Based on the signal theory, investors will react when investors obtain content related to internal and external companies. Information received by investors will raise investor sentiment, as a result resulting in fluctuations in stock prices (Kinasih & Laduny, 2021).

Based on study conducted by Saputra et al (2021) stated there was difference *abnormal returns* between before and after Covid-19. Research conducted by Lee & Setiawati (2021) state announcement the entry of the corona virus for the first time into Indonesia gave influence significant to *abnormal* return on listed companies in LQ45 on the Indonesia Stock Exchange .

Other findings according to Kinasih & Laduny (2021) stated that there was no difference in abnormal returns for pharmaceutical companies before and after the arrival of the Sinovac vaccine in Indonesia.

H1 a,b: There are differences in abnormal returns in the pharmaceutical and transportation sub-sectors before and after booster vaccines.

Study Hindayani (2020) stated that there was a difference in the cumulative abnormal returns in the hotel, tourism and restaurant subsectors before and after the announcement of the first Covid-19 in Indonesia. Research conducted by Joshipura & Lamba (2021) there was a difference in the cumulative abnormal return of the health and pharmaceutical sectors before and after the period of the Covid-19 event. Whereas study Kinasih & Laduny (2021) there was no difference cumulative abnormal return before with after arrival vaccine sinovac in Indonesia.

H2 a,b: There are differences in the cumulative abnormal returns in the pharmaceutical and transportation sub-sectors before and after the booster vaccine.

Wulan et al (2018) state there was difference significant to trading volume activity in the period 30 days time before and 30 days after announcement the first case of Covid-19 in Indonesia. Another study conducted by Chiah & Zhong (2020) state there was influence *trading volume activity* against Covid-19. Study Kinasih & Laduny (2021) state there was no difference *trading volume activity* in the company pharmacy before and after arrival vaccine Sinovac in Indonesia.

H3 a,b: There are differences in trading volume activity in the pharmaceutical and transportation sub-sectors before and after the vaccine booster.

RESEARCH METHODOLOGY

The type of research used was the event study method, the event period in this study was 5 days before and 5 days after the booster vaccine. The population in this study are pharmaceutical and transportation sub-sector companies listed on the Indonesia Stock Exchange for the period October 2021- January 2022. The data analysis approach used to test the hypothesis is the paired sample t-test for normally distributed data. If the data is not normally distributed, an alternative testing method is used, namely the Wilcoxon Signed Rank Test with the help of IBM SPSS 25 and Microsoft Excel 2010 (Hartono, 2017).

Abnormal return is the difference between the actual return that occurs and the expected return. This study uses the Market Model equation (Single Index Model). Market model, a statistical test performed by calculating the standard error of estimation based on the estimated return prediction period (Hartono, 2018: 115) . According to Hartono (2017) formula *Abnormal Returns* is as following :

Count *abnormal return* (Ari ,t)

$$AR_{i,t}=R_{i,t}-E(R_{i,t})$$

Notation :

$AR_{i,t}$: *abnormal returns* for share i in period to -t.

R_{it} : *return* over share i in period to t.

$E[R_{i,t}]$: *ecpected return* saham I pada periode t.

Cumulative abnormal return (CAR) is the sum of the previous day's abnormal returns in the event period for each security. According to Hartono (2017) formula *cumulative abnormal returns* as following :

$$CAR_{it}=\sum_{a=t}^{t} AR_{ia}$$

Notation :

CAR_{it} : cummultive abnormal return securities i on the day to - t, the accumulated from securities abnormal returns to -I start day beginning period events (t_1) to day to -$t_{p.}$

AR_{it} : abnormal return for securities i on the day to -t.

Trading volume activity is comparison of the volume of shares traded at a time certain with amount shares outstanding in the market. According to Suganda (2018) formula count *trading volume activity* as following :

$$TVA=\frac{\sum \text{Volume of share i traded at time t}}{\sum \text{The volume of shares i in circulation at time t}}$$

RESULTS AND DISCUSSION

The data in this study used the Wilcoxon signed ranked test. Because the data is not distributed normally .

Table 1. Test Results hypothesis

Enterprise Subsector	Variable	Sig	Information	Results
Pharmacy	AAR BFR AAR AFTR	0.013	Significant	Hypothesis Accepted
	CAAR BFR CAAR AFTR	0.093	No Significant	Hypothesis Rejected

	ATVA BFR ATVA AFTR	0.005	SignificSant	Hypothesis Accepted
Transportation	AAR BFR AAR AFTR	0.878	No Significant	Hypothesis Rejected
	CAAR BFR CAAR AFTR	0.445	No Significant	Hypothesis Rejected
	ATVA BFR ATVA AFTR	0.013	Significant	Hypothesis Accepted

Source : processed data , 2023

There are differences in abnormal returns in the pharmaceutical and transportation sub-sectors before and after booster vaccines.

The test results for the average abnormal return variable in the pharmaceutical subsector show a significance of 0.013, meaning that the value is less than 0.05, so it can be concluded that there is a difference in the abnormal return in the pharmaceutical subsector before and after booster vaccines. Study in line with Saputra et al (2021) state there was difference *abnormal returns* between before and after Covid-19. However , no in line with Kinasih & Laduny (2021) state there was no difference abnormal return on the company pharmacy before and after arrival vaccine sinovac in Indonesia.

Test results for variable *average* abnormal returns subsector transportation show a significance of 0.878 means mark the big of 0.05 then can concluded that No there is difference sub-sector abnormal returns transportation before and after vaccine boosters. Study in line with Kinasih & Laduny (2021) state there was no difference *abnormal return* on the company pharmacy before and after arrival vaccine sinovac in Indonesia. However , no in line with Saputra et al (2021) state there was difference abnormal returns between before and after Covid-19.

There are differences in the cumulative abnormal returns in the pharmaceutical and transportation sub-sectors before and after the booster vaccine.

The test results for the cumulative average abnormal return variable in the pharmaceutical subsector show a significance of 0.093 while the cumulative average abnormal return variable in the transportation subsector shows a significance of 0.445, meaning that the value is greater than 0.05. It can be concluded that there is no difference in the cumulative abnormal return in the pharmaceutical subsector before and after the vaccine. This research is in line with Kinasih & Laduny (2021) there was no difference in cumulative abnormal return before and after the arrival of the sinovac vaccine in Indonesia. However, this results no in line with Hindayani (2020) state exists difference cumulative abnormal returns hotel, tourism and restaurant subsectors before with after the announcement of the first covid-19 in Indonesia.

There are differences in trading volume activity in the pharmaceutical and transportation sub-sectors before and after the vaccine booster..

The test results for the average trading volume activity variable in the pharmaceutical subsector show a significance of 0.005 while the test results for the transportation subsector average trading volume activity variable show a significance of 0.013. That is, the value is less than 0.05, so it can be concluded that there are differences in trading volume activity in the pharmaceutical subsector before and after booster vaccines. This study in line with Wulan et al (2018) state there was difference significant to *trading volume activity* in the period 30 days time before and 30 days after announcement the first case of Covid-19 in Indonesia . However, no in line with Kinasih & Laduny (2021) state there is no difference *abnormal return* on the company pharmacy before and after arrival vaccine sinovac in Indonesia.

CONCLUSIONS AND SUGGESTIONS

There is a difference between the abnormal return of the pharmaceutical sub-sector before and after the booster vaccine but there is no difference in the transportation sub-sector before and after the booster vaccine, there is no difference in the cumulative abnormal return in the pharmaceutical and transportation sub-sector before and after the booster vaccine and trading volume activity there is a difference in the sub-sector pharmacy and transportation before and after booster vaccines.

The window range and the total number of samples observed are the limitations of this study. Therefore, the researcher suggests that: future research is expected to use a different approach methodology and expand the research timeframe..

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FINANCIAL ACCOUNTABILITY THROUGH IMPLEMENTATION OF ASSET MANAGEMENT AND ORGANIZATIONAL COMMITMENT

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ABSTRACT

This research was conducted against the background of a phenomenon that occurs that is the poor quality of financial statements, especially in local governments, where the findings of BPKRI asset management are the dominant factors that cause errors in the presentation of financial statements. Poor quality of financial statements will result in poor financial accountability for an entity. The organizational commitment is also thought to influence financial accountability. This research was undertaken through a survey and was designed to examine the financial accountability related to the implementation of asset management and the organizational commitment. This study aims to determine the effect of the implementation of asset management and the organizational commitment on financial accountability. The population in this study are all provincial / district / city governments in West Java, Banten and DKI. Data were processed using Smart PLS software and analyzed with SEM models. The research data used came from questionnaires collected from the head of department as well as the head of the field of assets and the head of the accounting field who were respondents in this study. TKT to be achieved is 3. The results of this study state that the implementation of asset management and commitment to the organization influences financial accountability.
Keywords: Financial Accountability, Asset Management, Organizational Commitment.

INTRODUCTION

Accountability is a complex concept that is more difficult to realize than combating corruption (Turner and Hulme, 1997). The realization of accountability is the main objective of public sector reform (Mardiasmo, 2018). Still according to Mardiasmo (2018), the demand for public accountability requires public sector institutions to place more emphasis on horizontal accountability rather than just vertical accountability, demands that then emerge are the need for external financial reports to illustrate the performance of institutions public sector.

In the last five years (2014-2018), the opinion of the Regional Government Financial Report (RGFR) has improved. RGFR who obtained unqualified opinion rose by 35 percent. Meanwhile, the number of RGFRs who received qualified and disclamer opinions decreased by 30 percent and 4 percent respectively (IHPS BPKRI Semester I 2019). However, there was a decrease in the unqualified opinion in the provincial government from 33 RGFR to 32 RGFR (IHPS BPKRI Semester I 2019). This means that the phenomenon of poor quality of financial statements, especially in local governments, still occurs. The poor quality of financial statements results in poor financial accountability. One of the biggest accounts that affects the fairness of the presentation of RGFR in 2018 is the problem of assets, mainly related to fixed asset management (IHPS I 2019 BPKRI). Local governments that implement better asset management have a strong tendency to be able to produce the fairness of fixed assets in a higher balance sheet. In addition to asset management, in IHPS BPKRI also stated that one of the factors that influence the quality of financial statements is the commitment of the leadership. The list of findings of internal control weaknesses contained in IHPS shows that the commitment has not been fully implemented. The commitment in question is a commitment to immediately complete the recommendations suggested by BPK RI. Mowday's research (1987) states that commitment in managing state finances will produce transparent financial reports to present and disclose all financial transactions.

RESULTS AND DISCUSSION

To find out the significance of the effect of the implementation of asset management and the organizational commitment on financial accountability, see table 7 below:

Table 1 Path Coefficients

Relationship Between Variables	Coefficient of Parameters	T Statistics	P Values	Description
Asset Management Implementation => Financial Accountability	0.892	18.509	0.000	Significantly influential
Organizational Commitment => Financial Accountability	0.851	20.922	0.000	Significantly influential

Note: Significant at the 5% level

The results of the path coefficient significance test on the structural model indicate that the Implementation of Asset Management significantly influences Financial Accountability. Based on the descriptive analysis described above shows that all dimensions are in the high category, except security and maintenance, guidance, supervision and control are in the sufficient category. The recording and reporting dimensions have the highest score. This indicates that the recording and reporting of fixed assets within the provincial / district / city government in West Java, Banten and DKI Jakarta has been carried out properly. If the recording and reporting of assets are carried out well then the financial statements will be good and of course financial accountability will be good too.

The results of this study are in line with research conducted by Dadson and Ebenezer (2006) which states that the implementation of asset management in general affects the quality of financial reporting. According to Dadson and Ebenezer (2006) Financial reporting produces a financial report, and this can increase financial accountability.

The results of the path coefficient significance test on the structural model show that the Organizational Commitment significantly influences Financial Accountability. Based on the descriptive analysis above shows that the normative commitment dimension has the most dominant score compared to the dimensions of affective commitment and continuance commitment. This can be interpreted that managers in the provincial / district / city government in the West Java, Banten and DKI regions tend to stay in the organization because they feel there is an obligation and responsibility to stay in the organization. This indicates that these managers also have responsibility for improving the quality of financial statements and of course will increase financial accountability.

The results of this study are not in line with research Hari (2013) where the results of the study stated that the manager's commitment to the organization does not affect the quality of financial statements. However, in line with research conducted by Silviana (2012) where the results of the study stated that the commitment of regional heads affects the quality of local government financial reports, where financial statements are a reflection of financial accountability.

CONCLUSIONS AND SUGGESTIONS

Based on the results of testing the hypothesis and the discussion that has been described in previous chapters, the following conclusions can be concluded: The implementation of asset management affects financial accountability. One of the stages of asset management is recording and and reporting. If the recording and reporting of assets are carried out well then the financial statements will be good and of course financial accountability will be good too; The organizational commitment influences financial accountability. The high level of the organizational commitment will increase financial accountability. Local governments should be more strict and monitor the implementation of PP No. 27 of 2014 concerning the management of regional assets, bearing in mind the management of assets is one of the elements causing unqualified opinion to be obtained without exception from the Indonesian Supreme Audit Board.

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ANALYSIS OF THE FACTORS THAT AFFECT INCOME SMOOTHING IN BANKING COMPANIES LISTED ON THE INDONESIAN STOCK EXCHANGE

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ABSTRACT

Income smoothing is one of the methods used by management to reduce reported profit fluctuations in companies so that the company's performance can look stable and improve the company's image. However, this action has been criticized by many parties because with this income smoothing the reported financial statements become irrelevant and cannot show the actual condition of the company. So that it can cause errors in decision making by parties with an interest in financial reports. This study aims to obtain empirical evidence of the influence of company size, Net Profit Margin, and financial leverage on income smoothing in banking companies listed on the IDX. The type of data in this study is secondary data with a population of banking companies that have been listed on the IDX for the 2019-2021 period, and the sample selection used purposive sampling.
Keywords: company size, net profit margin, financial leverage, income smoothing

INTRODUCTION

Earnings information is one of the most important indicators that affect users of financial statements in the decision-making process because earnings are useful as a tool to assess the management performance of a company. Therefore, company management will try to manage its profits and make the entity look better financially by manipulating information about profits in accordance with what it wants. Therefore, many companies then carry out income smoothing to flatten profit fluctuations and improve the company's image in the eyes of outsiders. To flatten earnings, managers will take actions that can increase reported earnings when earnings are low and take actions that reduce earnings when earnings are relatively high. This income smoothing action, if carried out deliberately unreasonably, will result in losses for parties with an interest in the financial statements, especially for investors and creditors, this is because earnings smoothing can result in disclosure of a company's financial statements not reflecting the company's actual condition.

This is of course very contrary to the general purpose of financial statements, which according to the Indonesian Accounting Association (IAI), PSAK No. 1 (2020) states that the purpose of financial statements is to provide information about the financial position, financial performance and cash flow of an entity that is useful for most users of reports in making economic decisions. The factors that influence a company's profit smoothing are very diverse, as stated by several previous researchers. The factors that influence income smoothing in this study are company size, Net Profit Margin and financial leverage.

DISCUSSION

Agency Theory

Agency theory is a theory that is closely related to income smoothing by companies. According to Fathihani & Wijayanti (2022) agency theory explains how best to regulate a relationship in which one party determines the job (company owner) while the other party does the work, which is called an agent. Therefore, if both parties are motivated by self-interest, then agents will tend to pursue their own goals. So that this causes deviations or even conflicts with the main objectives of the company.

Positive Accounting Theory

This positive accounting theory is the selection of accounting policy actions that will be used by the company and how the company responds to the proposed accounting policies. The purpose of this positive accounting theory is an attempt to explain and predict accounting practices carried out by companies.

Income Smoothing

Income smoothing is an intentional action taken by company managers in order to increase or company managers in order to increase or reduce reported earnings in accordance with the desired target desired target, in order to display profits that are considered normal for the company so that it creates stable profit fluctuations from the previous year to the year after. fluctuations from the previous year to the year after that. This is managers do because stable profits are considered a good good achievement for the company. This income smoothing action done by increasing the reported profit in a period if the actual profit is smaller, and minimizing the reported profit if the actual profit is smaller. by increasing the reported profit in a period if the actual profit is smaller, and decreasing the reported profit if the actual profit is larger. larger.

RESEARCH METHODS

Income Smoothing

Income smoothing is measured in the form of the eckel index. This eckel index will distinguish between companies that do income smoothing with those that are not, whose calculations are based on net income.The formula for calculating the Eckel index according to Paramita (2021) is as follows:
Index Income Smoothing = (CVΔI/CVΔS)

Company Size

Company size is a scale used to classify companies based on their size or small. According to Della and Lilis (2018) the calculation of company size is as follows company size calculation is as follows:

Company Size = Ln (Total Assets)

Net profit margin (NPM)

Kasmir (2017) Net Profit Margin is the ratio used to measure profit margin on sales. sales. The method used to measure Net Profit Margin is by comparing net profit after tax with total revenue. Mathematically Net Profit Margin can be formulated as follows:

NPM = net profit after tax/total income

Financial Leverage (X3)

Financial leverage is the company's ability to pay the debt it has. The formula that can be used to calculate this Financial Leverage is:

Financial Leverage = total debt / total assets

RESULT AND DISCUSSION

Table 1 T test result

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-21,815	9,639		-2,263	0,027
	Company Size	5,759	2,750	0,237	2,094	0,040
	NPM	-0,314	0,223	-0,159	-1,404	0,165
	Leverage	-9,225	3,434	-0,305	-2,687	0,009

Dependent Variabel: Income Smoothing

Based on the table above, the t statistical test shows the following results:

The Effect of Company Size on Earnings Smoothing

Based on the results of testing the effect of Company Size on income smoothing in table it is known that the tcount valuevalue obtained is 2.094 and a significance value of 0.040. value significance value smaller than 0.05 indicates that the company size variable has a significant positive effect on income smoothing.

Companies with large asset values which can then be classified as large companies generally tend to get more attention from various parties, be it investors, creditors, the public, and the government. Therefore, large companies will try to avoid therefore large companies will try to avoid profit fluctuations that are too drastic. drastic. This is because if the company reports a drastic increase in profit drastically, then of course the company will be burdened with high taxes, and vice versa. tax, and vice versa. Therefore, large companies will be more likely to take income smoothing actions so that the assets in the company can remain normal and get an assessment. assets in the company can remain normal and get a good assessment from investors and other interested parties.

The Effect of Net Profit Margin on Income Smoothing

Based on the results of testing the effect of Net Profit Margin on income smoothing in table it is known that the t value obtained is -1.404 and the significance value is 0.165. obtained is -1.404 and a significance value of 0.165. A significance value greater than 0.05 indicates that Net Profit Margin has no effect on income smoothing. Profit Margin has no effect on income smoothing.

Net Profit Margin is a measure of how effective the company's management performance is. performance of company management, so companies that feel less effective can be encouraged to perform income smoothing which aims to attract investors. to attract investors. The insignificance of Net Profit Margin on income smoothing in this study may be due to the fact that on average the company already has a fairly good performance, this can be seen in the table which shows that the average company has a good performance. This can be seen in the table which shows the average Net Profit Margin ratio of around 0.24. Profit

Margin ratio is around 0.24 or 24%, which is known that a good Net Profit Margin number is if it is more than 5% or 0,05.

The Effect of Financial Leverage on Income Smoothing

Based on the results of testing the effect of Financial Leverageon income smoothing in table, it is known that the value obtained is tvalue of -2.687 and a significance value of 0.009. Significance value which is smaller than 0.05 indicates that Financial Leveragehas a significant negative effect on earnings smoothing, so it can be said that H3 is accepted. it can be said that H3 is accepted.

The results of this test indicate that the lower the financial leverage ratio in a company, the management will be more motivated to perform income smoothing. This is because companies that have a low level of financial leverage will try to get more loans from creditors. Therefore, management will perform income smoothing with the aim of showing creditors that the company has little risk. Because it is known that, creditors will tend to refuse to lend to a company with high profit fluctuations. This is what causes management to take income smoothing measures in order to can stabilize its profits so that it can easily get more loans from creditors. more loans from creditors.

CONCLUSION

Based on the test results and discussion, it can be concluded that:

i. Company size has a significant positive effect on Income smoothing in Banking Companies listed on the Indonesia Stock Exchange in 2019-2021.
ii. Net Profit Margin has no influence on income smoothing on Banking Companies listed on the Indonesia Stock Exchange 2019-2021.
iii. Financial Leverage has a significant negative effect on earnings smoothing in Banking Companies listed on the Indonesia Stock Exchange in 2019-2021. Indonesia in 2019-2021.
iv. Company Size, Net Profit Margin, and Financial Leverage variables simultaneously affect income smoothing in Banking Companies listed on the Indonesia Stock Exchange in 2019-2021.

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CASH FLOW ANALYSIS TO ANTICIPATE POTENTIAL BANKRUPTCY IN STARTUP COMPANIES LISTED ON THE INDONESIAN STOCK EXCHANGE

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ABSTRACT

The purpose of this study was to examine the role of cash flow ratios in determining corporate bankruptcy. Tests were conducted on startup companies listed on the Indonesia Stock Exchange for the 2020-2022 period to find out whether cash flow analysis is a significant predictor of potential bankruptcy. This research data analysis method uses Logistic Regression. It is hoped that the results of the study will be able to show that the Liquidity Ratio, Solvency Ratio, and Efficiency Ratio and Profitability Ratio have a significant effect on predicting financial distress. In addition, the results of this study are expected to be useful for companies, investors and other stakeholders in making decisions. Companies should avoid external loans and take advantage of more investment opportunities to avoid financial distress.
Keywords: cash flow ratio, bankruptcy, startup, logistic regression

INTRODUCTION

Globalization and technological developments have changed many aspects of life, including the digital shift where economic and social activities with the help of technology have had an impact on the entire economy. Human dependence on technology can be utilized as a business opportunity to improve the economy. This opportunity has been used by some people to establish startups or start-up companies to be able to provide high-tech digital platforms that can make human life easier. McCauley and Gruszka (2018: 22) define startup as a business that is young, small, high growth, and aims to use technology to gain wider market coverage. From the Forbes page written by Dane Stagler (2019) states that the global startup economy since 2017 has generated more than US$2.8 trillion in economic value. This value has increased by 20% when compared to the previous two year period. This kind of increase is also influenced by the rapid growth of a number of startups that have reached a valuation of more than US$ 1 billion, or commonly referred to as unicorns (Lee, 2017). This phenomenon is very rare and difficult to catch, that's why these companies are nicknamed unicorns.

The growth of startups and the emergence of unicorns is influenced by, among others, the ease of starting a business and the existing business ecosystem in a country. This makes it possible to be used as an excuse that digital startup businesses have good potential not only for business owners, but also for consumers who can get convenience in fulfilling their needs. The development of digital technology is a big reason why technology-based businesses have very rapid growth in the world. The development of digital technology is a big reason why technology-based businesses have very rapid growth in the world. This can be seen from the growth of technology-based companies, which are not a few from various countries. The 2022 startup ranking states that Indonesia is ranked 5th in the world for countries with startup business growth, namely with 2,347 startup companies. This position was occupied after the United States, India, Britain and Canada. Higher ratings indicate better, simpler regulations for businesses and stronger protection of property rights.

List of Indonesian Startups Entering the Southeast Asian Market Based on reports on katadata.co.id on November 22, 2021, there are at least 10 startup companies in Indonesia that are now starting to spread their wings in the Southeast Asian market. On the other hand, there are currently a lot of startups competing and lining up to do an IPO. Initial Public Offering (IPO) is closely related to the Capital Market. IPO can be interpreted as a public offering in which the company makes an offer and sells shares to the general public. In simple terms, an IPO refers to a period in which the company first entered the Indonesian stock exchange to offer initial shares to the public. Startup names such as Gojek, Bukalapak, and Tokopedia are unicorns and these decacorns have a valuation of US$1-10 billion, so it is not impossible that these three startups are included in Indonesian startup companies that have gone IPO.

Bukalapak itself is one of the Indonesian startups that has already gone IPO in 2021 with its share price position at that time being listed on the IDX at IDR 850. Then the startup that recently announced its IPO on the IDX last April is GoTo, namely at its launch there were mutual cooperation shares which were divided in the amount of IDR 310 billion.

Another fact cited from gopublic.idx.co.id based on the IDX is that from 2017 to 2019, there were 8 Indonesian startups that had IPOs: Kioson (PT Kioson Komersial Indonesia Tbk.), Mcash (PT M Cash Integrasi Tbk.), NFC Indonesia (PT NFC Indonesia Tbk.), Passpod (PT Yeloo Integra Datanet Tbk.), DIVA (PT Distribution Voucher Nusantara Tbk.), HDI (PT Hensel Davest Indonesia Tbk.), Telefast (PT Telefast Indonesia Tbk.), and Digital Mediatama Maxima (PT Digital Mediatama Maxima Tbk.). Meanwhile, many Indonesian startups with unicorn status are lining up for an IPO on the IDX, as quoted from the databox. They are J&T with a valuation of US$7.8 billion, Traveloka US$3 billion, OVO US$2.9 billion, then Tiket.com, Kredivo, Xendit, Kopi Kenangan, Akulaku and Ajaib with a valuation of US$1 billion.

To continue to survive and develop, a company must have a strategy for the long term and the right policies to suit the company's goals. In addition, to be able to survive and develop, digital startup companies need good sources of funding. According to Cb insights (2021), the biggest factor in the failure of a digital startup business is a lack of funds. The percentage of startup digital companies failing due to lack of funds is 38%, which is then followed by other failures. That's why funding is crucial for digital startup companies. Funding that startup companies can expect is funds from investors because startups are high-risk companies and cannot be financed by banks. Banks will only provide loans to businesses that are already running and have seen profits and are not at risk (Kasali, 2022). Many startup companies today cannot manage their funding properly, causing potential bankruptcy

Formulation of the problem

i. Is there any influence of Liquidity Ratio from Operational Cash Flow on Financial Distress
ii. Is there an effect of the Solvency Ratio of Operational Cash Flow on Financial Distress?
iii. Is there an effect of the Efficiency Ratio of Operational Cash Flow on Financial Distress

iv. Is there an effect of Profitability Ratio from Operational Cash Flow on Financial Distress

LITERATURE REVIEW

Agency Theory

Jensen and Meckling (1976), define "agency relationship as a contract under which one or more persons (the principal(s)) engage another person (the agent) to perform some service on their behalf which involves delegating some decision-making authority to the agents."

From these financial statements can be used by external parties to assess the company's financial condition. If the profit earned by the company is high in a relatively long period, what can see that the company can carry out its operations well. It also indicates that the company can distribute dividends to each of its investors (Wahyuningtyas 2010). Companies that regularly distribute dividends every year indicate that the company is protected from financial distress.

In addition, in the financial statements, it can also be seen how a company owns many assets, debts, and profits. Suppose the financial statements show a high debt ratio compared to assets owned by the company. In that case, it reflects that the company will have more outstanding obligations in the future than those who must repay. The company can have a large debt ratio, possibly due to the agent's mistakes in managing the company, or even worse, the agent deliberately takes actions that are only concerned with himself and ignores his interests with the principal. As a result, the high debt ratio owed by the company will increase the company's being trapped in financial difficulty or financial distress.

Financial Distress

Financial distress is a condition where the company's economy is in trouble, where there is a decline in performance that occurred before the company went bankrupt (Vinh, 2015). Financial distress can also be interpreted as a situation where the company's financial capacity gradually deteriorates and the inability to pay its obligations to creditors (Ufo, 2015). Financial difficulties arise when companies have difficulty paying financial commitments (Khaliq et al., 2014). "Financial distress is a situation in which the operating cash flow of a company is not sufficient for its current obligations, and the company is forced to undertake remedial activities" (Ross, Randolph, and Jeffrey, 2015). Financial distress is the final stage of the company's decline before bankruptcy or liquidation (Nanayakkara & Azeez, 2015).

Measurement Of Financial Distress

This research on bankruptcy prediction was initiated by Beaver (1966), then continued by Edward Altman (1968), Altman et al. (1977). Beaver and Altman's research was motivated by the bankruptcy of many companies in their home country, the United States, in the 1960s. Research models on bankruptcy prediction continue to be developed both in the United States and in other countries, for example, the Springate Model by Gordon L.V. Springate (1978) from Canada, Datastream's model by Marais (the UK, 1979), Fulmer Model (the US, 1984), Ca-score (Canada, 1987), logistical regression model by Ohlson (1980), artificial neural network model by Thomaidis et al. (1998), Hsieh et al. (2006), and others. (Gamayuni, 2009). However, the research above mainly uses the financial ratio approach.

Cash flow is closely related to the company's ability to pay the company's obligations, both short-term and long-term. Negative cash flow will also disrupt the company's operations and, therefore, will disrupt profitability. The company's failure to pay its obligations and will lead to bankruptcy conditions that can trigger bankruptcy. This study examines whether cash flow ratios prove to be good predictors of financial distress.

Liquidity Ratio

Liquidity Ratio is the company's ability to meet its short-term obligations (Bhunia, Khan, & MuKhuti, 2011). The liquidity ratio used in this study uses cash flow indicators from operating activities divided by current liabilities (Fawzi et al., 2015). Operating cash flow is related to the inflow and outflow of funds from operating activities. The components of cash flow from operating activities used are net cash obtained from operating activities, including cash receipts from customers, cash payments to employees, suppliers, payments for other operating expenses, cash receipts from operating activities, interest income receipts, income tax payments, interest expense payments. And other payments (receipts).

Solvency Ratio

The solvency ratio is also known as the leverage ratio. The solvency ratio is a ratio that measures the company's ability to meet its long-term obligations (Kamaluddin et al., 2019). The ratio used in this study is the sum of cash flows from operating activities to long-term debt (Kamaluddin et al., 2019). Cash flows from operating activities used are net cash obtained from operating activities, including cash receipts from customers, cash payments to employees, suppliers, payments for other operating expenses, cash receipts from operating activities, interest income receipts, income tax payments, interest expense payments, and other payments (receipts).

Efficiency Ratio

The efficiency ratio is also known as the activity ratio. Efficiency Ratio is used to measure its ability to use its assets to generate cash in operations (Fawzi et al., 2015). The ratio used in this study is cash flow from operating activities divided by fixed assets. This shows how much cash is generated using the company's fixed assets (Kamaluddin et al., 2019). Cash flows from operating activities used are net cash obtained from operating activities, including cash receipts from customers, cash payments to employees, suppliers, payments for other operating expenses, cash receipts from operating activities, interest income receipts, income tax payments, interest expense payments and other payments (receipts).

Profitability Ratio

According to Janjua et al. (2016), the profitability ratio is the company's ability to generate profits. The ratio used in this study is cash flow from operating activities divided by net income. What can convert net income into cash to generate a sufficient return on investment (Fawzi et al., 2015). Components of cash flow from operating activities used are net cash obtained from operating activities, including cash receipts from consumers, cash payments to employees, suppliers, payments for other operating expenses, cash receipts from operating activities, interest income receipts, payment of income taxes, payments of interest expenses and other payments (receipts).

Previous Research

Many studies have been conducted to determine the effect of financial ratios on the occurrence of financial distress. In 2014 a research was conducted by Baimwera and Muriuki entitled Analysis of Corporate Financial distress Determinants: A Survey Of Non-Financial Firms Listed In The Nse (2014). This study uses regression analysis to examine the relationship between the company's financial distress factors and financial distress itself. The financial ratio variables used are liquidity, profitability, leverage, and firm growth. The results show that liquidity and leverage have no significant effect in determining financial distress. While growth and profitability have a significant influence in determining the company's financial distress Fawzi et.al (2015) conducted a study entitled.

Monitoring Distressed Companies through Cash Flow Analysis.

The purpose of this study is to determine the importance of cash flow ratios in determining financial distress companies. The sample of this study consisted of 52 companies that experienced financial difficulties and 52 companies that did not experience financial difficulties in the period 2009-2012. Thus, the population in this study were Malaysian companies for the period 2009-2012. The independent variable used is the cash flow ratio, while the dependent variable used is financial distress. This study indicates that the cash flow ratio can be relied upon to predict financial distress in the Malaysian context.

Rani (2017) with the title The Effect of Liquidity, Leverage, Profitability, Agency Cost and Sales Growth on the possibility of financial distress. The purpose of this study is to examine the effect of liquidity, leverage, profitability, agency costs, and sales growth on the possibility of financial distress conditions. The research sample used in this study were 94 manufacturing companies listed on the Indonesia Stock Exchange in 2013-2015. The sampling technique used was purposive sampling. The population used is manufacturing companies listed on the Indonesia Stock Exchange in 2013-2015. The independent variables used are liquidity, leverage, profitability, agency costs, and sales growth. The dependent variable uses financial distress. The results of the study indicate that leverage influences the possibility of financial distress. On the other hand, agency costs and sales growth do not affect the possibility of financial distress.

Julius (2017), in a study entitled The Effect of Financial Leverage, Firm GrowProfit and Cash Flow on Financial Distress. The purpose of this study is to examine the effect of financial leverage, firm growth, profit, and cash flow on financial distress in manufacturing companies listed on the Indonesia Stock Exchange. The research sample used was 18 companies on the Indonesia Stock Exchange in 2010-2015. The population used in this study is the population of manufacturing companies on the Indonesia Stock Exchange 2010-2015. The independent variables used are financial leverage, firm growth, profit, and cash flow. At the same time, the dependent variable is financial distress. The results of this study indicate that cash flow influences financial distress. A significant value indicates this in the logistic regression test, namely 0.013.

Masdupi et al (2018). "The Influence Of Liquidity, Leverage And Profitability On Financial distress Of Listed Manufacturing Companies In Indonesia." The research variables are Liquidity, Profitability, Leverage, and Financial distress. Using regression analysis method. Explain the result that. Liquidity, leverage, and profitability hurt financial distress.

Kamaluddin et al. (2019) "Financial distress Prediction Through Cash Flow Ratios Analysis" with research variables Liquidity Ratio, Solvency Ratio, Efficiency Ratio, and Profitability Ratio. Using regression analysis method. Explaining the results that Profitability and Solvency Ratios have an effect on Financial Distress and Efficiency and liquidity ratios have no effect on Financial distress.

Research Framework

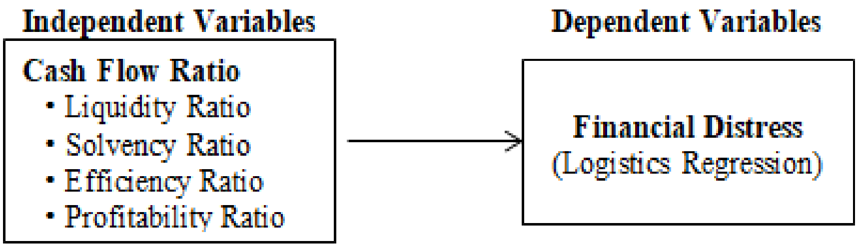

Figure 1. Framework

Research Hypothesis

H_1: There is an influence between Liquidity Ratio on Financial Distress
H_2: There is an influence between Solvency Ratio on Financial Distress
H_3: There is an influence between the Efficiency Ratio on Financial Distress
H_4: There is an influence between Profitability Ratio on Financial Distress

RESEARCH METHOD

Population and Research Sample

The sample chosen in this study consisted of startup companies listed on the Indonesia Stock Exchange for the 2020-2022 period. The financial data used in this study is taken from the cash flow statement, income statement and balance sheet from 2020 to 2022.

Sampling was carried out by purposive sampling which is part of the non-probability sampling method. For members of the population who do not meet the requirements, are not selected as research samples.

Sampling based on the following criteria:

i. Startup companies listed on the Indonesia Stock Exchange for the 2020-2022 period, which are in a condition of financial distress and non-financial distress companies. Companies that experience financial distress are companies that experience negative operating profit in one reporting period.
ii. Startup companies that consistently report Financial Statements on the IDX in 2020-2022

Table 1 Operationalization of Variables

Variable	Measurement	Reference
Liquidity Rasio	CFFO/CL	Fawzi, 2015; Kamaluddin,2019
Solvency Rasio	CFFO/TL	Fawzi, 2015; Kamaluddin 2019
Efficiency Rasio	CFFO/FA	Fawzi, 2015; Kamaluddin 2019
Profitability Rasio	CFFO/NI	Fawzi, 2015; Kamaluddin 2019

explanation:

CFFO : *Cash flow* From *Operational*
CL : Current Liabilities
TL : Total Liabilities
FA : Fixed Asset
NI : Net Income

Data Analysis Method

The data analysis method of this research uses Logistic Regression. Logistics Regression Analysis is an appropriate statistical technique if the dependent variable is nominal categorical and non-metric while the independent variable is metric (Hair et al., 2006). It is also stated that Logistic Regression is more appropriate if the assumption of normality cannot be met. In this study, Dependent Variables were categorized into companies with distress (score 1) and Non-Distress (score 0).

Logistic regression analysis allows users to classify companies as Distressed or Non Distressed according to probability estimates. Probability estimates were calculated using the estimated coefficients of the independent variables in the logistic regression model. Companies with probability estimates above the selected cut-off point will be classified as Distress companies. The use of cut-off points is to minimize the level of misclassification. This study uses a cut-off point of 0.5 for the probability of financial distress, which is in line with Tew and Enylina (2005), which means that the company is classified as a Distress company if the calculated probability is the same more than 0.5. The company is classified as a non-distress company if the calculated probability is less than 0.5.

Data for the prediction model year 1, year two, and year three each lag one, two, and three years before the year of financial distress. Therefore, the following financial distress prediction model was developed for the current study:

$$P\ (DISTRESS) = 1/ \{1 + \exp [- (\beta0 + \beta1\ (CFFO/CL) + \beta2\ (CFFO/TL) + \beta3\ (CFFO/FA) + \beta4(CFFO/NI))]\}$$

Where:

P (DISTRESS) = exp = CFFO/CL = CFFO/TL = CFFO/FA = CFFO/NI

RESULTS AND DISCUSSION

Overview of Research Objects

Based on the sample selection criteria, namely 10 startup companies that are consistently listed on the IDX, the research sample companies are obtained as follows:

Table 2 Company Sample

No	Company Sample
1	BUKA (PT Bukalapak Tbk)
2	GOTO (PT Gojek Tokopedia Tbk)
3	KIOS (PT Kioson Komersial Indonesia Tbk.)
4	MCAS (PT M Cash Integrasi Tbk.)
5	NFCX (PT NFC Indonesia Tbk.)
6	YELO (PT Yeloo Integra Datanet Tbk.)
7	DIVA (PT Distribusi Voucher Nusantara Tbk.)
8	HDIT (PT Hensel Davest Indonesia Tbk.)
9	TFAS (PT Telefast Indonesia Tbk.)
10	DMMX (PT Digital Mediatama Maxima Tbk.)

Source: processed data (2023)

DATA ANALYSIS RESULTS

Feasibility Test of Logistics Regression Model

The Feasibility Test of the logistic regression model is used to determine whether the model is feasible and can be used for further analysis. The feasibility test of the regression model consists of 3 tests: (1) assessing the feasibility of the regression model: Hosmer and Lemeshow's Goodness of Fit Test, which is a test to determine whether the model formed is correct or not. It is said to be appropriate if there is no significant difference between the model and the value of the observations. (2) Testing the Overall Model (overall model fit): from the number -2LogLikehood, where at the beginning (Block number = 0) the -2LogLikehood number must decrease to Block Number = 1. The existence of a reduction in the value indicates that the model fits the data. (3) The coefficient of determination test with Nagelkerke R Square is used to measure the ability of the logistic regression model to fit the data. In other words, the statistical value of Nagelkerke's can be interpreted as a value that measures the ability of the independent variables to explain or explain the variation of the dependent variable.

Hosmer and Lemeshow's Goodness of Fit Test

From the Hosmer and Lemeshow Test table below, the Chi-square value is 8.195 with a significant value of 0.415 and df 8. From these results, it can see that the significant value is greater than 0.05, so it can be concluded. The logistic regression model used can predict the value of the observations or be said to have met the adequacy of the data (fit) and is suitable for further analysis

Table 3 Hosmer and Lemeshow Test

Step	Chi-square	df	Sig.
1	8,195	8	,415

Source: processed data (2023)

Overall Model Fit Test

From the IteRation History Block 0 table: Beginning Block, the first model only with constants without any independent variables below shows the value of -2LogLikehood of 232.893.

Table 4 Ite*Ratio*n History Block 0

Block 0: Beginning Block

Ite*Ratio*n History[a,b,c]

Ite*Ratio*n		-2 Log likelihood	Coefficients Constant
Step 0	1	232,897	,000

a. Constant is included in the model.

b. Initial -2 Log Likelihood: 232.897

c. Estimation terminated at ite*Ratio*n number 1 because parameter estimates changed by less than .001.

Source: processed data (2021)

And in Table Block 1, which includes constants and all independent variables, the results show the value of -2LogLikehood of 121.865. With a decrease in the value of -2LogLikehood, it shows that the model used is a good regression model and is feasible to use.

Table 5 Table Block 1
Block 1: Method = Enter
Ite*Ratio*n History[a,b,c,d]

Ite*Ratio*n		-2 Log likelihood	Constant	Coefficients Liquidty *Ratio*	*Solvency Ratio*	*Efficiency Ratio*	Profitability *Ratio*
Step 1	1	169,262	-,796	1,507	,008	1,467	-,006
	2	152,977	-1,034	1,934	1,531	-,181	-,008
	3	136,611	-1,208	1,020	7,589	-7,633	-,010
	4	125,199	-1,440	,385	15,837	-18,124	-,013
	5	122,124	-1,590	,178	21,883	-25,782	-,016
	6	121,868	-1,633	,100	24,194	-28,684	-,019
	7	121,865	-1,637	,091	24,442	-28,995	-,019
	8	121,865	-1,637	,091	24,445	-28,998	-,019
	9	121,865	-1,637	,091	24,445	-28,998	-,019

a. Method: Enter
b. Constant is included in the model.
c. Initial -2 Log Likelihood: 232.897
d. Estimation terminated at ite*Ratio*n number 9 because parameter estimates changed by less than .001.
Source: processed data (2023)

Coefficient of Determination Test with Nagelkarke R Square

Table 6 Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	121,865[a]	,484	,645

a. Estimation terminated at ite*Ratio*n number 9 because parameter estimates changed by less than .001.
Source: processed data (2023)

From the Model Summary table above, the results show that:

i. The chi-square value is the difference in the value of -2LogLikehood before the independent variable enters, and -2LogLikehood after the independent variable enters the model is 121.865. The value of chi-square = 121.865 > from the chi-square table of 9.4877 on df 4 (the number of independent variables 4) with a significance of 0.05, which indicates that the addition of independent variables can have a significant effect simultaneously on the model. This shows that the cash flow ratio can be used to predict the financial distress of a company.

ii. The Nagelkerke R Square value of 0.645 indicates that the variability of the dependent variable that can be presented by independent variability is 64.5%, or in other words, that 64.5% percent of the dependent variable (financial distress and non-distress) can be predicted by the independent variable. In the form of cash flow ratio (Liquidity, Solvency, Efficiency, and profitability Ratio). At the same time, the remaining 35.5% can be predicted and explained by other independent variables that are not included in the model.

Model Classification Accuracy

The classification of the model's accuracy shows the accuracy of the model in predicting the company's finances; the results of the classification of the model's accuracy are presented in the table below.

Table 7 Classification Table

Classification Table[a]					
			Predicted		
			FinancialDistress		Percentage
	Observed		0	1	Correct
Step 1	FinancialDistress	0	78	6	92,9
		1	18	66	78,6
	Overall Percentage				85,7
a. The cut value is .500					

Source: processed data (2023)

Number 0 shows companies experiencing financial distress, while 1 indicates companies that are not experiencing financial distress. The table above informs that the model can predict companies that experience financial distress by 92.9% and companies that do not experience financial distress by 78.6%. So that the accuracy of the model predicting the company's financial distress in the research period is 85.7%, i.e., 144 observations are correctly predicted, and 24 observations are predicted otherwise.

Logistics Regression Analysis Test

Based on the table below, the logistic regression model obtained is as follows:

Y = -1,637 + 0,091 Liquidty *Ratio* + 24,445 *Solvency Ratio* + (-28,998) *Efficiency Ratio* + (-0,019) Proffitability *Ratio*

Table 8 Analisis Regresion Logistic
Variables in the Equation

		B	S.E.	Wald	df	Sig.	Exp(B)
Step 1[a]	LiquidtyRatio	,091	1,379	,004	1	,947	1,096
	SolvencyRatio	24,445	5,742	18,127	1	,000	41338124997,882
	EfficiencyRatio	-28,998	7,166	16,375	1	,000	,000
	ProfitabilityRatio	-,019	,013	2,004	1	,157	,981
	Constant	-1,637	,293	31,197	1	,000	,195

a. Variable(s) entered on step 1: LiquidtyRatio, SolvencyRatio, EfficiencyRatio, ProfitabilityRatio.

Source: processed data (2023)

To test the hypothesis, it is used to determine the effect of the independent variable (cash flow ratio) on the dependent (financial distress and non-distress) by using an error tolerance value of 5%. So the research hypothesis is accepted if the significance of the independent variable is <0.05.

Based on the table above, the results show that the liquidity ratio has a regression coefficient of 0.091; the coefficient is positive, which means that the higher the level of liquidity, the greater the prediction of the company experiencing financial distress. However, the significant level is 0.947 > 0.05, which means that the liquidity ratio has no significant effect in predicting financial distress conditions in this study. Therefore, who can conclude that H1 is rejected.

In the second hypothesis, the results show that the solvency ratio has a regression coefficient of 24,445. The coefficient is positive, which means that the higher the company's solvency ratio, the greater the prediction of the company experiencing financial distress. The significant level is 0.000 <0.05, so the Solvency Ratio has a significant positive effect in predicting financial distress conditions in this study. Therefore, it can conclude that H2 is accepted.

The third hypothesis of the research shows that the efficiency ratio has a regression coefficient of -28,998; the coefficient is negative, which means that the higher the company's efficiency ratio, the lower the prediction of the company experiencing financial distress. The significant level is 0.000 <0.05, so the efficiency ratio has a significant negative effect in predicting financial distress conditions in this study. Therefore, it can be concluded that H3 is accepted.

The results for the fourth hypothesis indicate that the profitability ratio has a regression coefficient of -0.019; the coefficient is negative, which means that the higher the profitability ratio of the company, the lower the prediction of the company experiencing financial distress. However, the significant level is 0.157 > 0.05, so the profitability ratio has no significant effect in predicting financial distress conditions in this study. Therefore, it can be concluded that H4 is rejected.

DISCUSSION

Effect of Liquidity Ratio on Financial Distress.

The liquidity ratio describes the company's ability to meet its short-term obligations and finance its operational activities. Based on this research model, the liquidity ratio cannot be used to evaluate risk and predict to prevent a company's bankruptcy. This is in line with research by Mas'ud & Srengga (2015) and Kamaluddin et al. (2019), where the liquidity ratio has no significant effect on financial distress.

A high liquidity ratio does not necessarily guarantee that the company's debts that are due. Financial distress that occurs in the company is not only determined by the company's high or low value of liquidity. Companies with high liquidity values will not necessarily avoid financial distress, and companies with low liquidity will not always experience financial distress. This is because many companies rely on corporate funding to pay their short-term obligations. Because the company has good corporate funding, the company will not be careless in selling or liquidating its current assets to pay its obligations.

For creditors, the higher the current ratio means, the safer it is for them. However, for certain companies, it can mean. Otherwise, we should use many aspects as a reference in investing, not just focusing on liquidity. For example, companies experiencing financial distress have to fulfill their short-term obligations and have to fulfill their long-term obligations; liquidity only calculates the company's ability to pay its short-term obligations.

However, there are also research results that contradict the results of this study. The results of other studies indicate that the liquidity ratio has a negative and significant effect on financial distress. For example, the results of research by Thai & Abdollahi (2011), Amarilla et al. (2017), and Manab, Theng & Md-Rus (2015) found that the liquidity ratio hurts financial distress. Based on these results, it can be explained that the higher the ratio, the higher the company's ability to pay its short-term obligations, so this indicates that the company is experiencing financial distress. In other words, the higher the cash flow from operating activities generated, the lower the possibility of the company experiencing financial distress (Amarilla et al., 2017). Meanwhile, if the ratio is lower, the chances of the company experiencing financial distress will be higher because the company is unable to pay its short-term obligations, which will affect its operations. Companies with higher levels of liquidity can be a positive signal for external parties, especially creditors, because they can guarantee the company.

Effect of Solvency Ratio on Financial Distress.

The solvency ratio is a ratio that measures the company's ability to meet its short-term and long-term obligations. Based on this research model, the solvency ratio has a significant and positive effect on financial distress, thus indicating that the greater the solvency ratio value, the greater the probability that the company will experience financial distress. When the operating cash flow value is negative, it will be difficult for the company to obtain additional loans from outside parties because it is feared that the company will not be able to cover its debts with cash from operating activities.

The results of this study are in line with research conducted by Kamaluddin et al. (2019) and Fawzi et al. (2015), where the solvency ratio has a positive effect on financial distress when measured by cash flow from operating activities to long-term debt. Based on these results, it can be explained that there is a possibility that the company has high cash flow, but the company invests in unprofitable projects. Another possibility is that operational activities are financed with long-term debt so that as operational activities increase, debts that are not paid will increase and cause financial distress..

Effect of Efficiency Ratio on Financial Distress.

The efficiency ratio is used to measure its ability to use its assets to generate cash in operations. The results of this study indicate that the efficiency ratio has a significant and negative effect in predicting financial distress. Companies with a high-efficiency ratio have assets that can turn around more quickly and earn profits; this also shows the more efficient use of all assets in generating sales. As a result, the company is less likely to experience financial distress.

This study is in line with research conducted by Atmaja (2012) and Fawzi et al. (2015), which said a negative influence between the efficiency ratio and financial distress conditions. In addition, the research of Kartika & Hasanudin (2019) also found a negative effect. So it can be concluded that the higher the efficiency ratio, the lower the possibility of financial distress in the company. Based on these results, who can explain that the use of fixed assets of the company is getting bigger, indicating the more influential the use of fixed assets in generating operating cash flow. However, if the company cannot maximize the use of fixed assets to generate cash, then the possibility of the company experiencing financial distress will be higher (Kamaluddin et al., 2019). Therefore, this study is not in line with the research conducted by Kamaluddin et al. (2019), which did not find the effect of the efficiency ratio on financial distress.

Effect of Profitability Ratio on Financial Distress.

This profitability ratio shows the company's ability to generate profits. The results of this test indicate that the profitability ratio has no significant effect on financial distress. The results of this study are in line with Orchid (2014), which found that the profitability ratio calculated using operating cash flow to net income has no significant effect on predicting a company's financial distress.

Companies that experience financial distress generally have negative profitability. Profitability shows the efficient and effective use of assets in generating company profits. Negative company profitability indicates the absence of effectiveness of the use of company assets to generate net income. Profitability is the net result of various policies and decisions. This ratio is used to measure the company's ability to profit from every rupiah of sales generated. The greater the profitability, the smaller the probability of the company experiencing financial distress (Orchid, 2014).

This study is not in line with the research conducted by Kamaluddin et al. (2019) and Fawzi et al. (2015), which found that the profitability ratio hurt financial distress. In addition, research conducted by Lawrence et al. (2015) also found that the profitability ratio hurts financial distress. Based on these results, it can be explained that the higher the profitability ratio, the lower the probability that the company will experience financial distress. Companies can avoid financial distress if net income can be converted into operating activity cash flows to generate profits from reinvested income (Fawzi et al., 2015). If the receipt of payment for the sale proceeds has been received, it will be recorded in cash inflows to increase cash flow from the company's operating activities. Therefore, a high profitability ratio positively impacts the company's cash flow to avoid payment difficulties and avoid financial distress conditions.

CONCLUSION

Based on the results of the analysis that has been carried out in this study, it can be concluded that:

Liquidity Ratio has no significant effect in predicting financial distress.
Solvency Ratio has a significant positive effect in predicting financial distress
Efficiency Ratio has a significant positive effect in predicting financial distress
Profitability Ratio has no significant effect in predicting financial distress.

SUGGESTION

For companies to avoid financial distress conditions, they should avoid borrowing from outside, leading to financial distress due to their inability to cover their debts. For investors, before investing in a company, investors should pay more attention to several factors that can predict the company's financial condition in a healthy condition or tend to experience financial distress.

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THE EFFECT SIZE COMPANY TOEXPENDITURE ZAKAT WITH PROFITABILITY AS VARIABLE MEDIATION ON BANK GENERAL SHARIA IN INDONESIAPERIOD 2016-2021

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ABSTRACT

The purpose of this study was to examine the effect of company size on zakat expenditures with profitability US a mediating variables at Islamic Commercials Banks in Indonesia for the period 2016-2021. This research method uses quantitative methods with a research sample population of 36 financial statement data as research observations at Islamic Commercial Banks in Indonesia with the period 2016-2021. The sampling technique used Purposive Sampling. The data analysis technique in this study used path analysis. The type of data used in this study is secondary data. the results of this study indicate that company sizes has a positive effect on zakat expenditures at Islamic Commercial Banks in Indonesia for the 2016- 2021 season. Profitability mediates the effect of company size on zakat expenditures at Islamic Commercials Banks in Indonesia for the 2016-2021 period.

Keywords: ***Company Size, Zakat Expenditures, Profitability***

INTRODUCTION

Banking is one of the strategic tools in economic development. The practice of Islamic banking was born against the background of the needs of society Muslim Indonesia And awareness public Muslim Indonesia And awareness society will bank interest as usury. Currently the number of Islamic Commercial Banks in Indonesia amount 15 bank, amount Bank General Sharia in Indonesia Keep going experience enhancement from year to year. Enhancement Bank General Sharia reflect that banking potential sharia in Indonesia very positive and of course kana increase amount must zakat company. Zakat so will collect fund new (fresh capital) Which free from pressure- any pressure because it is voluntary and is the right of the people poor.

Need is known that zakat Which required on body business No intended For burden body business in a manner excessive And threaten survival company. According to UU no. 17 year 2000 or so called Also UU income tax chapter 4 Paragraph 3, expenditure zakat stated as a deduction income taxable for party which emit zakat.

With this regulation, it is expected that the financial condition of business entities that pay zakat not overloaded. In addition, business entity zakat also contains meaning that in operating a company requires balance between characteristic selfish And social. Characteristic selfish can made as a booster For gain profits while the social nature is used as Corporate Social Responsibilities (CSR) of the company towards the surrounding environment. So expected the benefits of implementing zakat on business entities will affect all parties, both for the company That Alone nor for public general Which need (zakat recipient/ mustahik).

Is known that potency zakat Bank General Sharia reach Rp 223,685,972,473.00, while the realization only reached IDR 150,983,659,000.00 equivalent with 67.49%. Therefore, Still There is Rp 72,702,313,473.00 or equivalent to 32.50% corporate zakat funds from Islamic commercial banks in Indonesia Which Not yet revealed. Matter the prove that collection zakat company in Bank General Sharia in Indonesia Still very low.

There is still a high percentage of Islamic Commercial Banks that have not paid zakat company is Because there is Bank General Sharia Which No pay his obligations For emit zakat company. Incident the caused by exists Bank General Sharia Which new stand, so that possible that party management Not yet own policy For pay zakat company. Then, there are several Islamic Commercial Banks experienced losses in the company's operations, so it has not been able to emit zakat company.

Firman and Rusydiana (2013) state that, "Sharia Commercial Banks in Issuing zakat is greatly influenced by how big the size of the company isin this case is the asset owned. In addition, zakat is one of the commitmentscompany to public so that magnitude commitment depends on capacity company. According to Sari (2015), "company Which the scale big tend to reveal more social responsibility than the company small scale." In this case social responsibility is meant is zakat company.

Company size as measured by total assets of Islamic Commercial Banks as independent variable is still rarely done. Indeed research on profitability has been done a lot, but research on the profitability of zakat expenditure, let alone added to the size of the company as measured by the totalIslamic Commercial Bank assets as independent variables are still rarely carried out. So that the implication is that companies can be consciously oriented towards zakat, because the orientation to zakat is actually oriented towards performance company in a manner whole Because the more the amount of zakat disbursement, increasing company performance. Apart from being seen from the profitability ratio, in This research also adds the tax that must be paid by the bank can influence expenditure zakat in something bank.

In the financial statements of Islamic banking regarding retained earnings, profit and loss, and sources and uses of funds, a special report is also presented regarding special funds regarding zakat funds. Zakat funds are usually obtained from calculations assets owned by companies that will be subject to zakat, profits that will be zakatand the amount of assets being zakatd. Zakat paid reflects concern to those who need it more. In addition, zakat is a relationshipbetween worldly life with the things that will be accounted for in hereafter later.

REVIEW LITERATURE

Banking Sharia

Definition of Islamic Banks in the article of Law no. 21 of 2008 concerning Banking Sharia states that "Sharia Bank is a bank that carries out activities its business is based on sharia principles and according to its type consists of Commercial Banks Sharia (BUS) and Sharia People's Financing Bank (BPRS)" article 1 point 7. Inthe aim of Islamic Banks is prohibited to generate maximum profit, but the Bank Sharia still pushed For produce profit without must leave contribution in enhancement quality economy people (public general).

From the understanding above, it can be concluded that Islamic Bank is a institutions that collect funds and distribute them back to the people who lack of funds, according to principle And sharia religion Islam. Bank Sharia in operate the institution is by the way for results/ in accordance with the prisip sharia, No use flower.

Islamic Bank institutions are the same as Conventional Banks, it's just that in sharia banking it is required to have a Sharia Supervisory Board (DPS), sharia religion Islam. Determination DPS done through Meeting General Holder Share(GMS). Furthermore, the DPS obtains a recommendation from the National Sharia Council (DSN).

Size Company

According to Rodoni and Ali (2014) company size is a measure or the size of a company that can be seen by the size of a company which can be seen by the amount of assets owned by the company. Companybig own risk Which more low than company small. Matter This due to big companies have better control over conditions market, so that they capable face competition economy.

In measure size company, part big study often use proxy logarithm natural from assets or asset. Asnawi (2006) disclose that every size proxy usually is total assets company, because assets can usually be very large in value, and to avoid scale bias then the amount of assets needs to be compressed. In general, proxy size is used Logarithm ornatural logarithm (Ln) asset.

Logarithm natural of total assets this is used For reduce differences significant difference between company size that is too large and company size which is too small. Conversion of natural logarithmic forms aims to create data total asset distributed with normal.

Size company= Ln (Total Asset)

Zakat

Zakat is part of the property with certain conditions, which Allah SWT oblige to owner, For submitted to Which entitled accept it, with condition certain also.

Rinjani hardiyanti (2020), mentioned that zakat divided become two, that is:

i. Zakat Sorry (Zakat Treasure)

   Zakat Sorry is zakat Which required on somebody Which own excess treasure until limit certain (haul) And given to personcertain also.

ii. Zakat Nature

   Zakat fitrah is obligatory to be paid by every Muslim, both male and female. men and women, adults and teenagers, children, even newborns even if they encounter the latter part of the month Ramadan (after sunset) and early Shawwal (after sunset sun) as well as have the ability to pay zakat nature.

Zakat Company

Corporate zakat according to the entity concept is a concept that gives view about something units business, organization or institutional Which have not quite enough answer (right And obligation) in front of law separated from not quite enough answer para the owner in operate every his efforts. Definition the have meaning that ownership riches company with the owner separated, matter thereby depicted in company balance sheet.

Zakat in Bank besides as something worship Also as aspect social company which is a company obligation that must be done in order created balance in do activity his efforts. Company must issue zakat, because the existence of the company is as a legal entity (reeht person) or Which considered person. Because

That, between individual thethen came various transactions and cooperation. Corporate zakat obligations only addressed to company Which owned (at least majority) by Muslim. Provision- provision zakat company according to Wijayanto (2007) is:

i. It has been running for one year (haul), namely by combining all assets trading beginning And end in One year Then issued the zakat.
ii. Reaching the trade nishab, worth the same as the gold nishab, which is 85 grams gold.
   The rate zakat as big 2.5%
   Zakat = 2.5% x Profit

Ratio Profitability

Kasmir (2019), says that the profitability ratio is a ratio for Assess the company's ability to seek profits or profits in a company certain period. This ratio also provides a measure of management effectiveness something company. Matter This showed by profit resulting from from sale Andinvestment income. The point is the use of this ratio shows efficiency company.

The use of profitability ratios can be done using comparison between the various components in the financial statements, especially financial statements balance sheet and income statement. Measurements can be made for a number of period operation. The goal is so that seen development companywithin a certain timeframe, either decreasing or increasing, as well as searching reason change the.

There is three type ratio profitability according to which will used, that is (Hartono, 2016):

Return On Assets (ROA)

Is a financial ratio that shows the ability of the company generate profits from the assets used. ROA analysis measures ability company produce profit on past. Utility This can projected into the future to see the company's ability to produce profit in the future. Formula Which used For count ratio This i

$$ROA = \frac{\text{Net Profit after tax}}{\text{Sale}}$$

Return On equity (ROE)

Is ratio profit clean after tax to capital Alone Which used to measure the ability of a company's earnings available to shareholders company. This ratio is a measure of profitability from a holder's point of view share. However, this ratio has one weakness, namely it does not take into account exists dividend nor capital gain For holder share. which formula usedFor count ratio This is:

$$ROE = \frac{\text{Net Income}}{\text{Equity}}$$

Connection Size Company with Expenditure Zakat

Size company is mark Which show big its small company Which can made nas factor Which determine ability company in produce profit. Whereas zakat company is zakatWhich based on principle justice as well as results ijtihad the experts jurisprudence. Zakat have connection with profit. explained that profit usage profit as base payment zakat is can reduce issues related to conflicts of interest, and internal fraud presentation And disclosure report finance can minimized as good Possible.

Profitability mediate Connection Size Company with ExpenditureZakat.

Profitability (ROA) as a mediating variable influences firm size to expenditure zakat, matter This because Profitability relate withthe condition of the bank's financial performance and the soundness level of the bank. The higher it is the profitability of the bank, the better the economic capacity company And level his health.

With high profits, the zakat issued will increase. Because Profit is the basis for calculating zakat. To be able to increase the value of zakat the company, namely so that the increase in assets can exceed the specified nishab, a large scale of operation is required. The greater the total assets owned bank, then profit Which obtained banks too will increase, so that verymakes it possible for banks to fulfill their obligations in paying zakat company, hence with it Profitability capable mediate between size company to expenditure zakat.

METHOD

Design Study

Research design or research design is a plan and structure investigations are structured in such a way that the researcher can obtain answer For questions his research. Design study or the design of a study must have six aspects as disclosed by Sekaran & Bougie (2017), which consists of the nature of the study, type of investigation, level intervention researcher, situation studies, units analysis, And horizon time.

Nature of Study

The nature of the study in this research is hypothesis testing. Hypothesis test what is done is to test the independent variable, namely company size (X), variable bound that is Expenditure Zakat (Y) And Profitability (Z) as variable mediation.

Type Investigation

This research wants to determine the causes of the problems that occur. Type The investigation carried out in this study is a causal study. which problem What happens in this research is zakat expenditure with partial profitability mediating variable. Zakat expenditure with profitability as a mediating variable on Banks General Sharia potentially influenced by size company.

Level Intervention Researcher to Studies

The level of intervention is the level of involvement, this researcher wants to see how much involved researcher with his research the. Level intervention in this study was minimal intervention. Researchers did not influence the condition zakat expenditure with profitability as a mediating variable at Commercial Banks Sharia in Indonesia period 2016-2021 moment obtained nor on moment efforts to issue zakat. Therefore, the level of researcher intervention low.

Study situation

The study situation in this research is unregulated. Researchers want to know influence size company to expenditure zakat with profitability etc variable mediation without intervene researcher to source data in field. Therefore, the study situation proceeded normally without any pressure or arrangement from researcher to data in field.

Units of Analysis

The unit of analysis refers to the degree of unity of the data collected during the stagesubsequent data analysis (Sekaran & Bougie, 2017). The unit of analysis in this studyis an individual Islamic Commercial Bank. Unity of data collected in this research is report data finance Bank General Sharia which has in audits.

Horizon Time

The time horizon in this study is a cross-sectional study with period observation year 2016-2021. Studicross sectional is studies Which collect data only once period, whether daily, weekly, monthly, or annual data. The data collected is only once a period, what is meant is financial reports of Islamic Commercial Banks in Indonesia registered with the Service Authority Finance (OJK).

Population And Sample Study

Population can be interpreted as the whole research subject. In research this is being a population is a Bank General Sharia in Indonesia in 2016-2021 as much 15 bank. The sample is part of the number and characteristics possessed by the population (Sugiyono, 2016). The sampling technique used in this study is Purposive Sampling, namely the sampling technique used in the studies research that prioritizes research objectives rather than the nature of the population in determine the research sample. Purposive Sampling technique was chosen because of its size population used by researchers, researchers may not examine the entire population due to limitations time and limitations fund.

CONCLUSION AND SUGGESTION

Conclusion

Firm size has a positive and significant effect on spending zakat Bank General Sharia in Indonesia Period 2016-2021. Matter This proven with mark coefficient beta($\beta1$) size company as big 9,372.

Profitability mediates the effect of firm size on spending zakat on Islamic Commercial Banks in Indonesia for the 2016-2021 period. This matter proven with mark coefficient beta ($\beta1$) size company -78,452.

Suggestion

For company, expected so that can take policy For increasing the disclosure of social responsibility through reports finance annual (Annual Report). Because disclosure Social responsibility is one way to improve trust stakeholders and impact on value increase company.

For investors, it is expected to be included in making decisions before invest.

For Academic, study This have limitations only researching several variables including the variable company size, profitability influence expenditure zakat. for researcher furthermore more Lots variable Again.

For future researchers, the results of this study can be used as material comparison and reference for research, and as material considerationFor more deepen study furthermore with use variable Which different, And object study Which different.

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THE INFLUENCE OF ENTERPRISE RISK MANAGEMENT (ERM), AUDIT QUALITY, AND INDEPENDENT COMMISSIONERS ON COMPANY'S FINANCIAL PERFORMANCE WITH THE AUDIT COMMITTEE AS A MODERATION VARIABLE (IN FOOD AND BEVERAGE SUB-SECTOR MANUFACTURING COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE FOR THE 2018-2020 PERIOD)

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ABSTRACT

This study aims to determine the effect of Enterprise risk management (ERM), Audit Quality, Independent Commissioners on Financial Performance with the Audit Committee as a Moderating Variable in Food and Beverage Sub-Sector Manufacturing companies listed on the Indonesia Stock Exchange in 2018-2021. In determining the sample in this study using purposive sampling method with a total sample of 80. The data used is secondary data and the method used is Multiple Linear Regression Analysis. The results of this study indicate that Enterprise Risk Management (ERM), Audit Quality, and Independent Commissioners have a significant effect on financial performance. The audit committee is able to moderate the influence of audit quality and independent commissioners, while the audit committee is unable to moderate the influence of Enterprise Risk Management (ERM) on financial performance. Simultaneously Enterprise Risk Management (ERM), Audit Quality, and Independent Commissioners have a positive and significant effect on Financial Performance with the Audit Committee as a Moderating Variable.
Keywords: Enterprise Risk Management, Audit Quality, Independent Commissioner, Audit Committee.

INTRODUCTION

A food and beverage company is a manufacturing company engaged in the food and beverage industry, or in other words, a processing industry company that processes raw materials for semi-finished goods or finished goods. In Indonesia, food and beverage companies are growing rapidly as can be seen from the high consumption of food and beverages by the public, especially in the last 3-4 years. Not only that, this rapid development can also be seen in the growing number of food and beverage manufacturing companies listed on the Indonesia Stock Exchange. It is possible that this company is very profitable for the present and the future. Due to the importance of food and drink as a basic need in the life of Indonesian people (Wiendy Indrianti, 2018).

Financial performance is the company's ability to generate profits in a period (Yuliani and Sukirno, 2018). Financial performance is needed by companies to find out and evaluate the level of success of companies based on financial activities that have been carried out (Kusumadewi and Zulhaimi, 2018). Performance evaluation is needed to find out the mistakes that have occurred and to improve decisions that will be taken related to financial performance (Asna, 2017). The quality of financial performance will be better if a company makes regular improvements.

Enterprise Risk Management is a process influenced by a company's board of directors, management and other personnel, applied in setting strategy and across companies, designed to identify potential events that could affect the company, and manage risks, as well as provide adequate assurance regarding the achievement of objectives. Evidence that a company has implemented Enterprise Risk Management is by having a Chief Risk Officer within the company (Hoyt & Liebenberg, 2011).

Audit quality is an audit characteristic that has been able to meet auditing standards and also quality control standards that can describe audit practices and be a measure of the quality of carrying out tasks to fulfill their professional responsibilities (Haryanto & Susilawati, 2018). The professional ability of an individual in carrying out his work is called the quality of the auditor. Audit quality is an audit carried out in accordance with existing standards so that it can reveal and also report if there is a violation committed by the client. In addition, audit quality can be said to be of high quality if it meets auditing standards and quality control standards (Haryanto & Susilawati, 2018).

In Indonesia at present, the existence of an independent commissioner is regulated in the Code of Good Corporate Governance issued by the KNKG (2017; 89). Commissioners according to this code, are responsible and have the authority to oversee the policies and activities carried out by the directors and give advice when needed (Juwitasari, 2013). However, sometimes the board of commissioners in a company cannot properly carry out the control function over the directors. Therefore, the existence of an independent commissioner in a company is expected to increase the role of the board of commissioners so that Good Corporate Governance can be created within the company. Independent Commissioners are members of the commissioners who come from outside the company (not affiliated with the company) who are selected transparently and independently, have adequate integrity and competence, are free from influences related to personal interests or other parties, and can act objectively and independently by referring to the principles of Good Corporate Governance (transparency, accountability, responsibility, fairness).

The audit committee was chosen as the moderating variable in this study. The involvement of the audit committee is expected to strengthen audit quality. The main task of the audit committee is in principle to assist the board of commissioners in carrying out the oversight function of the company's performance. This is mainly related to reviewing the company's internal control system, ensuring the quality of financial reports, and increasing the effectiveness of the audit function. The existence of an audit committee is expected to be able to provide recommendations for public accountants, assess matters relating to the assignment of public accountants (such as engagement letters and estimated fees), assess accounting policies and their implementation, and examine financial reports (Fitriani, 2020). The formation within the company in improving the quality of audits and financial reports is reflected in the audit committee, this is because the audit committee has a function in dealing with internal and external parties.

As was the case in 2018 which was carried out by PT Tiga Pilar Sejahtera Food Tbk (AISA), investors from the company asked for protection from the Financial Services Authority (OJK) because of alleged violations committed by the issuer's directors. In this violation, the board of directors is not responsible for its performance and violates information disclosure and the issuer's directors are known to have affiliated transactions and transactions with indications of a conflict of interest. The case also explains that the internal structure of a company has a close relationship with investor confidence, because every performance made by the internal structure becomes a benchmark for investors in investing in a company. An internal structure that carries out GCG well can improve a company's financial performance so that it can survive in a weakened economic situation (kontan.co.id, 2018).

Based on previous research conducted by Nur Laeli Apriani (2020) which stated that partially independent commissioners, audit committees and audit quality have no effect on financial performance. Meanwhile, the board of directors has a positive effect on the company's financial performance.

Based on the description of the background related to the phenomenon from the results of previous research, the authors are interested in conducting further research which is measured using return on equity (ROE) because ROE measures net profit after tax and can be used as a tool to see company development. ROE can also be used as a guide for investors to see whether a company is good or not because the higher the ROE ratio, the higher the company returns the funds invested by investors in the company and the better the performance of a company. If a company is able to consistently show a high ROE value, this indicates that the company has an advantage and is able to survive in the competition, then this study is entitled "Effect Of Enterprise Risk Management (Erm), Audit Quality, And Independent Commissioners On Financial Performance With The Audit Committee As A Moderation Variable (In Food And Beverages Sub-Sector Manufacturing Companies Listed In Bur Indonesian Securities Sa For The Period 2018-2021)”.

RESEARCH METHODS

In this study, the objects of research are the Food and Beverage Sub-Sector Manufacturing companies listed on the Indonesia Stock Exchange in 2018-2021. The population used in this study were 72 Manufacturing companies in the Food and Beverage sub-sector which were listed on the Indonesia Stock Exchange (IDX) for 2018-2021. The sample in this study were 20 Manufacturing companies in the Food and Beverage sub-sector that were listed on the Indonesia Stock Exchange (IDX) in 2018-2021.

RESULTS AND DISCUSSION

Descriptive statistics

Table 1 Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
ERM	80	,60	,77	,6426	,05570
Kualitas Audit	80	,00	1,00	,5000	,50315
Komisaris Independen	80	,25	,60	,4071	,10369
Kinerja Keuangan	80	,05	1,12	,3505	,16508
Komite Audit	80	3,00	5,00	3,1125	,42078
Valid N (listwise)	80				

Based on the table above, it shows that the known minimum ERM is 60, maximum is 77, average value is 6462 and Deviation is 05570. Minimum audit quality value is 0, maximum is 1, average value is 5000 and deviation is 50315. Independent commissioners minimum value is 25, maximum value is 60, average value is 4071 and Deviation is 10369. Minimum financial performance value is

05, maximum value is 1.12, value the average is 3505 and the deviation is 16508. The minimum audit committee score is 3.00, the maximum value is 5.00, the average value is 3.1125 and the deviation is 42078.

Normality Test

Table 2 One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		80
Normal Parameters[a,b]	Mean	,0000000
	Std. Deviation	,14778595
Most Extreme Differences	Absolute	,097
	Positive	,097
	Negative	-,067
Kolmogorov-Smirnov Z		,869
Asymp. Sig. (2-tailed)		,437

a. Test distribution is Normal.
b. Calculated from data.

Based on the table above, the normality test calculation in the table shows an Asymp.Sig value of 0.437, which means > 0.05, so it can be concluded that the data is normally distributed.

Table 3 Multicollinearity Test

Coefficients[a]

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	ERM	,956	1,046
	Kualitas Audit	,957	1,045
	Komisaris Independen	,999	1,001

Dependent Variable: Kinerja Keuangan

From the table above it can be seen that the tolerance value for capital and labor is above > 0.10. And for capital and labor VIF values < 10, it can be concluded that this regression model is free from multicollinearity.

QdL value = 1.5600
Value 4- dU = 4-1.7153 = 2.2847
DW value = 0.743
0.743 < 1.5600

So it can be concluded that there is a positive autocorrelation.

Table 4 Moderate Regression Analysis

Coefficients[a]

Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**
		B	Std. Error	Beta		
1	(Constant)	,263	,146		1,801	,076
	Komite Audit	-,041	,090	-,104	-,453	,652
	ERM*Komite Audit	,205	,103	,388	1,998	,049

	Kualitas Audit*Komite Audit	-,031	,012	-,307	-2,617	,011
	Komisaris Independen*Komite Audit	-,116	,053	-,316	-2,179	,032

a. Dependent Variable: Kinerja Keuangan

The interaction of independent variables and moderation of the dependent variable was carried out by the MRA Pure Moderation test. Withdrawal of the results of hypothesis testing can be done by comparing the P value, if the P value or significant level is less than 0.05 (P value <0.05) then there is an influence.

1. The ERM value on the audit committee moderating variable on financial performance is significant at 0.049. The ERM variable has a value of <0.05, which means that the audit committee moderating variable can moderate (strengthen/weaken) the effect of ERM on financial performance.
2. The value of audit quality on the audit committee moderating variable on financial performance is significant at 0.011. The audit quality variable has a value of <0.05, which means that the audit committee moderation variable can moderate (strengthen/weaken) the effect of audit quality on financial performance.
3. The value of the independent commissioner on the audit committee moderating variable on financial performance is significant at 0.032. The independent commissioner variable has a value of <0.05, which means that the audit committee moderating variable can moderate (strengthen/weaken) the influence of the independent commissioner on financial performance.

Table 5 F Test
ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	,428	3	,143	6,278	,001[b]
	Residual	1,725	76	,023		
	Total	2,153	79			

a. Dependent Variable: Kinerja Keuangan
b. Predictors: (Constant), Komisaris Independen, Kualitas Audit, ERM

From the table above it can be seen that the value of f is calculated with a significant level of 6.278 with a significance of 0.001. Thus f count (6.278) > f table (2.725) with a significant (0.001) < (0.05) so that it is stated that H0 is rejected and Ha is accepted, meaning that the independent variable has a significant effect.

Table 6 T Test
Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	,120	,214		,562	,576
	ERM	,651	,311	,220	2,090	,040
	Kualitas Audit	-,093	,034	-,283	-2,697	,009
	Komisaris Independen	-,347	,164	-,218	-2,123	,037

a. Dependent Variable: Kinerja Keuangan

From the table above it can be seen that the ERM variable (X1) has a t-value of 2.090 with a significance of 0.040. Thus t count (2.090) > t table (1.991) with a significant (0.040) < (0.05) so that it is stated that H0 is rejected and Ha is accepted, meaning that the independent variable has a significant effect. is an independent variable that has a significant effect.

From the table above, the multiple linear regression equation is obtained as follows:

Y = 0,120 + 0,561 X1 + (-0,093) X2 + (-0.047) X3 + e

Determination Test (R2)

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,446[a]	,199	,167	,15067	,743

a. Predictors: (Constant), Komisaris Independen, Kualitas Audit, ERM
Dependent
Variable: Kinerja Keuangan

From the table above it can be seen that the coefficient of determination (adjusted R^2) is 0.199 / 19.9%. This means that the independent variable has an influence on the dependent variable while the remaining 0.801 / 80.1% is influenced by other factors not included in this study.

CONCLUSION

1. Based on the results of testing the hypothesis ERM has a significant effect on financial performance in manufacturing companies in the food and beverage sub-sector.
2. Based on the results of hypothesis testing, audit quality has a significant effect on financial performance in manufacturing companies in the food and beverage sub-sector.
3. Based on the results of hypothesis testing, the Independent Commissioner has a significant effect on the finances of manufacturing companies in the food and beverage sub-sector.
4. Based on the results of the MRA test the audit committee can strengthen the relationship between ERM and financial performance.
5. Based on the results of the MRA test the audit committee strengthens the relationship between audit quality and financial performance.
6. Based on the results of the MRA test the audit committee strengthens the independent commissioner's relationship to financial performance.

SUGGESTION

1. Further research is suggested to add other variables that are related to the company's financial performance.
2. Further research is recommended to increase the number of research samples.
3. Future research can use other proxies in measuring each variable so that the results are more accurate.

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FEASIBILITY STUDY ANALYSIS OF ESTABLISHING POLI DOTS *TUBERCULOSIS* AT NURHAYATI HOSPITAL GARUT, WEST JAVA

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ABSTRACT

World Health Organization (WHO) determines that in 2022 Indonesia become the 2nd ranked country with Tuberculosis (TB) sufferers after India. Tuberculosis cases occur in 34 provinces, with incidence followed by the highest in West Java, East Java, Central Java and DKI Jakarta. In 2022 there will be 8 provinces that will become focus on priority targets of Indonesia government in the accelerated program elimination tuberculosis in Indonesia, which is included West Java. Demographics location Nurhayati hospital Garut are in the sub district Karangpawitan with amount of population 133,645 resident, with thereby become base for established POLI DOTS TB at Nurhayati Hospital Garut as effort role as well as help government in cope tuberculosis in the District of Garut, especially in the sub district Karangpawitan. This feasibility study analysis aims for supporting data establishment of POLI DOTS TB at Nurhayati Hospital Garut in review from: 1. Management operation aspect, 2. Marketing aspect, 3. Finance aspect with study literature review from journals, research articles and textbooks. Results from this studies appropriateness will be made as base reference in realize TB elimination in Indonesia in 2030 National Health Development Strategy 2020 – 2024.
Keywords: Feasibility Study, Hospital Management, Tuberculosis, Financial Management

INTRODUCTION

According to the WHO report in 2019, Indonesia is in the 30 countries with the highest tuberculosis burden in the world and ranks third highest in the world regarding the tuberculosis incidence. *Tuberculosis* (TB) is still a threat to public health in Indonesia. According to the WHO Global TBC Report 2020, TB cases in Indonesia in 2019 are estimated at 845,000 cases with an incidence of 312 per 100,000 population which brings Indonesia to become the country with the second largest number of cases in the world after India. The WHO report also estimates that the death rate for tuberculosis in Indonesia is around 35 per 100,000 population or around 93,000 people died from tuberculosis in 2018[26].

Based on the results of the West Java province TB workshop in 2021 in the context of strengthening the TB eradication network in West Java, concluded that the main causes that affect the increasing burden of TB, among others[12,13,26]:

i. The non-optimal implementation of the TB program so far is due to the lack of commitment of service implementers, policy makers, and funding for operations, materials and infrastructure.
ii. Inadequate management of TB, especially in health facilities that have not implemented TB services in accordance with National and ISTC guideline standards such as non-standard case detection/diagnosis, non-standard drug combinations, no treatment monitoring, and standard recording and reporting is not carried out.

iii. There is still a lack of cross-program and cross-sectoral involvement in TB control both in activities and funding.
iv. Not all people can access TB services, especially in Remote Areas, Borders and Islands (DTPK), as well as high-risk areas such as urban slums, ports, industries, densely populated residential locations such as Islamic boarding schools, dormitories, barracks and prisons/detention centers.
v. Inadequate management of TB according to standards both in case finding/diagnosis, drug combinations, treatment monitoring, recording and reporting.
vi. The magnitude of other health problems that can significantly affect the risk of developing TB such as HIV, malnutrition, diabetes mellitus, smoking, and other conditions that cause a decrease in body immunity.
vii. The increasing number of drug-resistant TB cases (RO-TB) which will increase TB program funding.
viii. Social factors such as the high unemployment rate, low level of education and per capita income, inadequate sanitation conditions, boards, clothing and food which result in a high risk of people contracting TB.

The number of cases of TB patients in Garut Regency according to data on the number of cases of infectious diseases by the Garut Regency Health Office in 2017 reached 80,405 people, with the highest number in Kadungora District with a total of 5739 people. In Karangpawitan district, the number of cases of TB patients reached 1585 people. Therefore, the establishment of the DOTS Polyclinic is one of the solutions to create optimal health status in line with the population growth rate[7,8].

The establishment of POLIDOTS TB in hospitals in terms of operational management makes it easier to diagnose TB disease with the support of existing equipment and human resources, starting from trained health workers, adequate laboratory equipment such as microscopic sputum sample tests and molecular rapid tests, or biopsy which is the act of taking samples from a part of the body, to obtain the tissue needed for microscopic examination which will determine whether the tissue is normal or pathological tissue (tissue with diseases, such as malignant or benign tumors, infections and others)[29].

The establishment of polidots TB in hospitals from a marketing management perspective expands hospital promotion, especially the pulmonary polyclinic in the hospital to the surrounding community, because this TB disease requires its patients to regularly go to the hospital for outpatient treatment, other hospitals as competitors, only a few have pulmonary polyclinic and pulmonary specialist doctors, and this is an added value for Nurhayati hospital[5].

The establishment of TB polidots in hospitals in terms of financial management, because it is one of the national programs, TB services in hospitals are free of fees such as consultation fees, fees for supporting examinations such as sputum examination or chest x-ray examination, and TB drug costs. Unlike the case for other drugs that are supportive in nature, such as vitamins and gastric pain medication, which are still subject to fees. The hospital still benefits from the many visits of patients and their families who routinely visit the hospital every 2 weeks or once a month for 6 months[7,8,9].

LITERATURE REVIEW

This feasibility study aims to determine the design of a TB treatment room which is based on the theory of the notion of a hospital, vertical horizontal zones of space, and the orientation of the building masses put forward by G.D Kunders, and the theory of hospital zones according to Isadore Rosenfield, as well as space requirements and standard space requirements for pulmonary health facilities. The results of the analysis can be seen that the establishment of POLIDOTS TB at Nurhayati Hospital has good TB room design planning because it separates infectious and non-infectious zones, but still pays attention to user comfort according to pulmonary health facility standards[23,28,30].

Feasibility Study Aspects of Establishing POLIDOTS TB Hospital
Operation Management Aspects of POLIDOTS TB Hospital

Operation management of POLIDOTS TB hospital is a practice designed to monitor and manage all processes in providing health services to patients. The focus of operational management is on creating and developing efficient & effective services. Managing purchases, monitoring inventory and maintaining quality is the main goal. Operational management also includes analyzing the internal processes of POLIDOTS TB Hospital. The way POLIDOTS TB Hospital carries out operational management is highly dependent on the nature of the services offered. At the implementation level, operational management is a decision-making process regarding the use of resources in providing the best health services and in accordance with the goals & objectives of the POLIDOTS TB hospital.

The scope of operational management at POLIDOTS TB Hospital is closely related to the health service process, namely among others:

- Optimal amount of service capacity planning,
- Building planning, layout, facility layout design,
- Service process flow design;
- Inventory management;
- Create a work schedule;
- Control and supervision of service quality,
- Service facility maintenance.

Cost control also affects the level and quality of services provided to clients. However, cost reductions that are inefficiently managed on budgets, will limit the technology and equipment that can be purchased and used to provide the required services. Therefore, the operations management aspect should aim to streamline costs and to create the necessary funding to maintain an adequate level and quality of services offered). Therefore, this aspect of operations management is very important because it involves the continuity of a quality service[9].

Marketing Management Aspect of POLIDOTS TB Hospital

The establishment of the POLIDOTS TB hospital was based on a market study which became the basis for the feasibility study. In market analysis, an analysis of all aspects is carried out, both from external aspects as opportunity or threats, as well as internal aspects that can be strength or weakness, so that these aspects can make a tendency for a hospital to establish a TB POLIDOTS or carry out development in the form of increasing the service status of the hospital. In addition, identification of which hospitals are competing, intensity and basis of competition/competition (threat of new entrants, strength or purchasing power of the public or consumers, threats of substitution of POLIDOTS TB hospital services, increased competition, supplier strength, barriers to entry (barriers) to entry) for other POLIDOTS TB hospitals into competition as well as the core strategy of the hospital being built[20].

To identify the market in the context of the POLIDOTS TB hospital, an analysis of the community's need for health services is needed which includes demographic factors, socio-economic factors, public health conditions, existing health services, utilization of health services as seen from the frequency of visiting POLIDOTS TB hospitals, the size of the community that has not been served by existing health facilities that are competitors and how much it costs or the level of community ability to pay POLIDOTS TB costs at the hospital. In analyzed the marketing aspect, researchers not only look at the market potential in the Karangpawitan District area, but also by analyzing the market potential of other District areas around the Hospital which has a reach of between 5-10 km[20].

Financial Management Aspect of POLIDOTS TB Hospital

Financial Analysis provides an overview of the planned use of budget resources owned, so that the rate of return on costs that will be invested can be determined. Thus, the owner/investor can see the level of profit that might be obtained. The financial aspects to be analyzed consist of[1,18]:
Investment Plan and Source of Funds

Revenue and Cost Projections
Cash Flow Projections

Financial analysis/assessment of investment feasibility: Break Even Point (BEP), Payback Period, and Net Present Value (NPV). Hospital financial analysis consists of projections of hospital costs and revenues, economic feasibility analysis and sensitivity analysis[23].

1. Cash Flow Projections (Cost and Revenue Projections).
   Cost
   Costs include fixed costs consisting of capital and annual fixed costs. Capital costs include land, buildings and installations, medical equipment costs, and constituent costs. Annual fixed costs include depreciation, maintenance/maintenance, and repairs. Furthermore, variable costs include employee salaries and annual costs such as administration fees, surgeon fees, consulting fees, electricity costs, water fees, generator fees, sanitation fees.
   Revenue
   Hospital revenue consists of annual income, outpatient income, and inpatient service income.

2. Economic Feasibility Analysis
   There are several methods commonly used to determine the feasibility of a business or investment, namely:
   Net Present Value (NPV) Method
   Net Present Value is the difference between the present value of the cash flow and the present value of the investment. With this method, the first thing

$$NPV = CF_0 + \frac{CF_1}{(1+r)^1} + \frac{CF_2}{(1+r)^2} + \cdots + \frac{CF_N}{(1+r)^N}$$
$$= \sum_{t=0}^{N} \frac{CF_t}{(1+r)^t}$$

   to do is to calculate the present value of revenue at a certain discount rate, then compare it to the present value of the investment. The decision of the assessment with this method if the difference between the PV and cash flow is greater, it means that the NPV value is positive (NPV > 0), meaning that the investment being made is feasible. And conversely, if the PV difference from cash flow is smaller than the investment PV, then the investment is seen as not feasible.

CONCLUSIONS

The results of the analysis of the feasibility study for the establishment of POLIDOTS TB at Nurhayati Hospital will be used as a reference basis in realizing the elimination of tuberculosis in Indonesia in 2030 as mandated in the 2020-2024 RPJMN and the 2020-2024 National Health Development Strategy as well as a guideline for all stakeholders in prepare health service facilities that meet the requirements for the prevention of infections transmitted through the air (airborne infection). Policy makers, facility providers/operators (providers/operators) up to planners, designers, builders & developers, including observers and people interested in the field of health facility buildings and infrastructure in Indonesia.

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THE INFLUENCE OF DEBT TO EQUITY RATIO (DER) AND CURRENT RATIO (CR) AND COMPANY VALUE MODERATED BY SIZE DURING THE COVID 19 PANDEMIC

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ABSTRACT

This study aims to empirically determine the effect of debt to equity ratio and current ratio on firm value moderated by size. The population in this study are manufacturing sector companies listed on the Indonesia Stock Exchange in 2020-2021. Sampling was determined using purposive sampling method so that 45 companies were obtained. The type of data used is secondary data obtained from www.idx.co.id. The analytical method used is multiple regression analysis. The results shown in this study indicate that CR has a significant negative effect on firm value, DER has no significant effect on firm value. Size moderates the effect of CR on firm value. size moderates the effect of DER on firm value.
Keywords: debt to equity ratio, current ratio, firm value, size

INTRODUCTION

Initially the company was founded with the aim of maximizing the wealth of company owners or shareholders. Research on the factors that influence firm value has been carried out a lot. Eddy and Pratama (2014) found that the structure of financial risk and income smoothing affect firm value. The company's value is well reflected by the community in several ways, one of which is the information contained in the financial reports and the public's positive reaction to the information (Tarmidi, 2019).

To more easily assess a company's financial performance, investors can look at financial ratios that are often used, including profitability, liquidity and leverage. In addition, investors can also see the dividend policy and company size. Research that has been done previously explains the factors of financial ratios, dividend policy, and company size can affect investors' perception of firm value.

High corporate value will increase prosperity for shareholders because corporate value can be described through the PBV of the company concerned. It is believed that the company value does not only reflect the company's current performance but can also describe the company's prospects in the future (Putra, 2017).

This study aims to find empirical evidence about the relationship between DER and CR which is influenced by firm value moderated by size.

Formulation of the problem

i. Does the Current Ratio affect company value during the Covid 19 pandemic?
ii. Does the Debt to Equity Ratio affect company value during the Covid 19 pandemic?
iii. Can size moderate the Current Ratio to company value during the Covid 19 pandemic?
iv. Can size moderate the Debt to Equity Ratio to company value during the Covid 19 pandemic?

LITERATURE REVIEW

According to Keown (2004), firm value is the market value of outstanding securities and company equity. In other words, the value of the company is the price investors are willing to pay if the company is sold. Company value can be reflected through PBV, for companies that issue shares in the capital market. The higher the PBV means the higher the rate of return to investors and that means the higher the value of the company related to the goal of the company itself, namely maximizing shareholder wealth. Factors that can affect company value include company growth, financial performance, debt policy, dividend policy, and company size. Some of these factors have a relationship and influence on inconsistent company value.

Debt to equity ratio is the ratio used to assess debt to equity. This ratio is sought by comparing all debt, including current debt with all equity (Kasmir, 2018: 157).

The current ratio or current ratio is a ratio to measure a company's ability to pay short-term obligations or debts that are due soon when billed as a whole. The calculation of the current ratio is done by comparing total current assets with total current debt (Kasmir, 2018: 134).

Research Framework

The framework of thought in this study can be seen in the following figure:

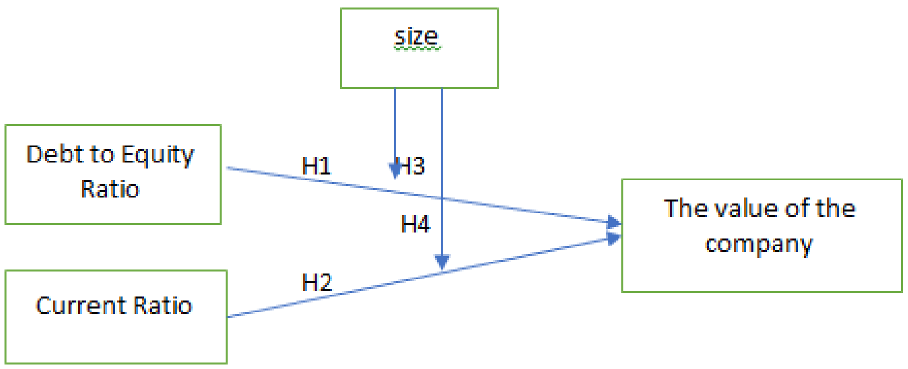

Figure 1 Framework

RESEARCH METHOD

This research is included in the category of descriptive quantitative research and hypothesis testing. This study reveals how much influence or relationship between variables is expressed in numbers by describing or illustrating the data that has been collected for analysis using analytical tools that are appropriate to the variables used in the study.

The variables tested in this study include debt to equity ratio and current ratio as independent variables, firm value as the dependent variable and size as a moderating variable. This study aims to examine the effect between the independent variables and the dependent variable which is moderated by the moderating variable on the population of manufacturing companies listed on the Indonesia Stock Exchange in 2020 - 2021.

Company Value, using price book value. PBV is the comparison of PBV with book value. Book value or book value is a comparison between equity shares and the number of outstanding shares (Weston and Brigham, 2006).

$$PBV = \frac{Stock\ Price}{Book\ Value}$$

*Debt to equity ratio*is the ratio used to assess debt to equity. This ratio is sought by comparing all debt, including current debt with all equity (Kasmir, 2018: 157).

$$DER = \frac{Total\ Debt}{Total\ Equity}$$

The current ratio or current ratio is a ratio to measure a company's ability to pay short-term obligations or debts that are due soon when billed as a whole. The calculation of the current ratio is done by comparing total current assets with total current debt (Kasmir, 2018: 134).

$$CR = \frac{Current\ Asset}{Current\ Liability}$$

Size, measured by the Natural Total Asset Logarithm, to measure company assets simply without changing the proportion of the actual total assets.

$$Size = \ Ln\,Total\ Assets$$

RESULTS AND DISCUSSION

Normality test

The normality test in this study aims to test whether in the regression model, the confounding or residual variables have a normal distribution (Ghozali, 2017). The data normality test in this study used the Kolmogorov-Smirnov statistical test. The basis for making the decision is that if the test results show a significant Kolmogorov-Smirnov value > 0.05, it means that the data is normally distributed and vice versa if the test results show a significant Kolmogorov-Smirnov value <0.05, it means that the detected data is not normally distributed. The results of the Kolmogorov-Smirnov (KS) normality test can be seen in the table below:

Table 1 Normality test

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residuals
N		152
Normal Parameters, b	Means	-.2292531
	std. Deviation	1.29432314
Most Extreme Differences	absolute	092
	Positive	092
	Negative	-.066
Kolmogorov-Smirnov Z		1.136
asymp. Sig. (2-tailed)		.152

a. Test distribution is Normal.
b. Calculated from data.

(source: secondary data processed with SPSS v21, 2019)

Based on the results of the normality test in the table above, the Kolmogorov-Smirnov Z value is 1,136 with a significance of 0.152 greater than 0.05 or 5% (0.152 > 0.05). This means that the residual data is normally distributed.

Multicollinearity Test Results

Multicollinearity test aims to test whether the regression model found a correlation between independent variables. The multicollinearity test can be seen from the Variance Inflation Factor (VIF) and also the Tolerance value. If the VIF value < 10 or tolerance > 0.10, it means that there is no multicollinearity (Ghozali, 2017).

Table 2 Multicollinearity Test Results

Model		Collinearity Statistics		
		B	**tolerance**	**VIF**
1	(Constant)	-5,467		
	DER	7,697	.972	1,029
	CR	.221	.983	1.017
	SIZE	-.201	.986	1014
a. Dependent Variable: PBV				

(source: secondary data processed with SPSS v25, 2023)

The table above shows that the results of the multicollinearity test show that the tolerance value for each independent variable is greater than 0.10 and the results of the Variant Inflation Factor (VIF) also show that there are no independent variables that have a VIF value of more than 10. So it can be concluded that there is no there is multicollinearity between independent variables in the regression model.

Heteroscedasticity Test Results

The purpose of the heteroscedasticity test is to test whether the variance of the residuals from one observation to another occurs in the linear regression model. A good regression model is homoscedasticity, that is, if*variances*from the residual of one observation to another observation remains (Ghozali, 2017). To detect the presence or absence of heteroscedasticity, the Spearman's Rho test is performed

Table 3 Results of Heteroscedasticity Test with Spearman's Rho Test

			Unstandardized Residuals
Spearman's rho	DER	Correlation Coefficient	-.100
		Sig. (2-tailed)	.223
		N	152
	CR	Correlation Coefficient	-.080
		Sig. (2-tailed)	.324
		N	152
	SIZE	Correlation Coefficient	058
		Sig. (2-tailed)	.476
		N	152
	Unstandardized Residuals	Correlation Coefficient	1,000
		Sig. (2-tailed)	.
		N	152

(source: secondary data processed with SPSS v25, 2023)

From the output above it can be seen that the variable correlation value with Unstandardized Residual has a significance value of more than 0.05. Because the significance value is more than 0.05, it can be concluded that there is no heteroscedasticity problem in the regression model.

Autocorrelation Test

The autocorrelation test aims to test whether in the linear regression model there is a correlation between the confounding errors in period t and the confounding errors in the t-1 (previous) period. A good regression model is one that is free from autocorrelation. In this study using the Durbin-Watson method. The absence of autocorrelation in the DW test value must meet the requirements du < dw < 4 – du. The test results using durbin watson can be seen in the table below.

Table 4 Autocorrelation Test Results

Summary modelb					
Model	**R**	**R Square**	**Adjusted R Square**	**std. Error of the Estimate**	**Durbin-Watson**
1	.882a	.778	.770	5168062	2014
a. Predictors: (Constant), DER, CR, SIZE					
b. Dependent Variable: PBV					

(source: secondary data processed with SPSS v25, 2023)

From the test results in the table above, the Durbin Watson number is 2.014. Based on the Durbin Watson table, it is known that the upper limit value (du) is 1.7751 and the 4-du value is 2.2249 which fulfills the requirements du < dw < 4 – du or 1.7751 < 2.014 < 2.2249 so that it can be concluded that the regression model in this study there was no autocorrelation.

HYPOTHESIS TESTING

Determination Coefficient Test (R2 Test)

The coefficient of determination test (R2) is used to measure how strong the independent variables explain the dependent variable. The coefficient of determination is between 0 and 1. The value of determination is determined by the Adjusted R-Square value. The Adjusted R-Square values obtained are presented in the following table:

Table 5 Test Results for the Coefficient of Determination (R2)

Summary models				
Model	**R**	**R Square**	**Adjusted R Square**	**std. Error of the Estimate**
1	.214a	046	022	10660.80476
a. Predictors: (Constant), DER, CR				

(source: secondary data processed with SPSS v25, 2023)

Based on the table above, it can be seen that the value of R square is 0.046. This means that 4.6% of the independent variables which include the current ratio, debt to equity ratio, are able to explain the dependent variable PBV, while the remaining 95.4% (100% -4.6%) are influenced by factors – other factors outside this research model.

Table 6 Test Results for the Coefficient of Determination (R2) Moderation

Summary models				
Model	R	R Square	Adjusted R Square	std. Error of the Estimate
1	.877a	.769	.758	5306096
a. Predictors: (Constant),CR, CR*SIZE, DER, DER*PBV				

(source: secondary data processed with SPSS v25, 2023)

Based on the table above it can be seen that the value of the adjusted R square is 0.758. This means that 75.8% of the firm value variable can be explained by the variable current ratio, debt to equity ratio, as well as the interaction between the current ratio and size, the interaction between the debt to equity ratio and size, while the remaining 24.2% (100%-75 .8%) is influenced by other factors outside this research model.

It can be seen from the two tables above that there is an increase in the value of the adjusted R square from the previous 4.6% to 75.8%. This shows that the size variable can moderate the effect of CR, DER on PBV.

Simultaneous Significance Test (F Test)

The simultaneous significance test (F test) aims to test whether all the independent variables simultaneously have an influence on the dependent variable. If the significance value is > 0.05 then all independent variables simultaneously do not affect the dependent variable, but if the significance value is <0.05 then all independent variables simultaneously affect the dependent variable. The following are the results of the simultaneous significance test (F test):

Table 7 Simultaneous Significance Test Results (Test F)

ANOVAa						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	111819987 88.667	6	1863666464.7 78	66,19 4	.000b
	residual	335040427 0.190	119	28154657733		
	Total	145324030 58.857	125			
a. Dependent Variable: PBV						
b. Predictors: (Constant), CR, CR*SIZE, DER, DER*SIZE						

(source: secondary data processed with SPSS v25, 2023)

Based on the table above, it can be seen that the significance value is 0.000 which means it is less than 0.05 so it can be concluded that the model is feasible to use.

Individual Parameter Significant Test (t test)

The t statistical test shows how far the influence of one independent variable individually explains the dependent variable. The test was carried out with a significance level of 0.05 (α=5%). If the significance value of t <0.05 then Ho is rejected and Ha is accepted, which means that the independent variable has a significant effect on the dependent variable and vice versa. The results of the t test can be seen in the table below.

Table 8 Individual Parameter Significant Test Results (t test)

Coefficientsa						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	std. Error	Betas		
1	(Constant)	3106577	1389.154		2,236	.027
	CR	-554,607	230,021	-.128	-2,411	.017
	DER	-1162.845	981,685	-.070	-1,185	.239
	CR*SIZE	4,715	.430	.715	10,957	.000
	DER*SIZE	6,736	1,492	.394	4,515	.000
a. Dependent Variable:PBV						

(source: secondary data processed with SPSS v25, 2023)

Based on the results of the individual parameter significance test (t test) in the table, the multiple linear regression equation is obtained as follows: PBV = 3,106.577 – 554,607CR – 1,162.845DER +4.715CR*SIZE + 6.736DER*SIZE
Based on the regression results in the table above, the following conclusions can be drawn:

i. The constant value α of 3,106.577 indicates that if all the independent variables, namely the current ratio, debt to equity ratio and moderation, have a value of 0, then PBV has a value of 3,016.577.
ii. The variable X1, the current ratio (CR) has a coefficient value of -554,607 which means that for every one unit increase in the current ratio, and other variables have a constant value, PBV will decrease by 554,607. The coefficient is negative indicating that there is an opposite relationship between the independent variable and the dependent variable, meaning that the higher the CR value, the PBV will decrease and vice versa. The significance value of the current ratio is 0.017, this shows a significance value of less than 0.05. So in this case the current ratio variable has a significant negative effect on PBV, so it can be concluded that H1 is accepted.
iii. Variable X2, the debt to equity ratio (DER) has a coefficient value of -1,162.845 means that for every one unit increase in debt to *equity ratio*, and other variables have constant values, so PBV will decrease by 1,162.845. The coefficient is negative indicating that there is an opposite relationship between the independent variable and the dependent variable, meaning that the higher the DER value, the PBV will decrease and vice versa. The significance value of the debt to equity ratio is 0.239, this indicates a significance value greater than 0.05. So in this case the debt to equity ratio variable has no effect on PBV, so it can be concluded that H2 is rejected.
iv. The interaction variable X1*Z, the current ratio with size has a regression coefficient value of 4.715, which means that for every one-unit increase in the interaction of the current ratio with size and other variables that have a constant value, PBV will increase by 4.715. The coefficient is positive indicating that there is a direct relationship between the independent variable and the dependent variable, meaning that the higher the CR*SIZE value, the PBV will increase and vice versa. The significant value of the current ratio interaction with size is 0.000, this shows a significance value of less than

0.05. So in this case the size variable moderates the effect of the current ratio on PBV, so that H3 is accepted.

v. The interaction variable X2*Z, the debt to equity ratio with size has a coefficient value of 6.736, which means that for every one-unit increase in the interaction of the debt to equity ratio with size, and other variables have a constant value, PBV will increase by 6.736. The coefficient is positive indicating that there is a direct relationship between the independent variable and the dependent variable, meaning that the higher the DER*SIZE value, the PBV will increase and vice versa. The significance value of the interaction of the debt to equity ratio with a size of 0.000 indicates a significance value of less than 0.05. So in this case the size variable moderates the effect of the debt to equity ratio on PBV, so that H4 is accepted.

DISCUSSION

1. Effect of Current Ratio (CR) on PBV

   Based on the summary of the results of hypothesis testing above, it shows that the current ratio has a significant negative effect on PBV. The results of this study indicate that the greater the current ratio, the PBV will decrease. This is because a high current ratio can indicate that the company has current assets that are not managed optimally, such as the large number of idle funds, stockpiling of inventories and unfavorable company credit policies resulting in a buildup of accounts receivable, which can reduce the ability to achieve company profits. This can be used as a negative signal for investors reduce the interest of investors to buy shares of the company. That way the number of requests for shares will decrease, resulting in a decrease in PBV.

   The results of this study are in line with research conducted by Funny et al. (2020) which states that the current ratio has a significant negative effect on PBV, because a high current ratio can be due to the company's ability to pay short-term debt but a lot of unsold inventory, thereby reducing investor interest. The results of this study are also supported by the research of Amrah and Elwisam (2018) which states that the current ratio has a significant negative effect on PBV, this may be because a high current ratio indicates poor liquidity management because excess funds owned by the company are not used to pay dividends, debt long-term and other investments that can provide higher returns in the future. As a result, investors become less interested in buying shares of the company. However, the results of this study are different from the results of research conducted by Endraswati and Novianti (2015) and Jusman and Puspitasari (2020) which state that the current ratio has no effect on PBV, this can be because investors pay more attention to other factors in making decisions when investing.

2. Effect of Debt to Equity Ratio (DER) on PBV

   Based on the summary of the results of hypothesis testing above, it shows that the debt to equity ratio has no effect on PBV. The results of the study show that the size of a company's DER ratio cannot be used as a benchmark for a company's PBV. This can be due to different considerations from investors in viewing DER. Some investors view that companies with high DER are more risky because they have high debt. However, several other investors view that every growing company definitely needs debt as additional funds in developing its business. These investors do not pay too much attention to the size of the company's debt, but see how the company's management manages the debt it has effectively and efficiently.

The results of this study are in line with research conducted by Mukhtasyam et al., (2020), Endraswati and Novianti (2015) and Gursida (2017) which state that the debt to equity ratio has no effect on PBV. According to Gursida (2017) this shows that the value of the debt to equity ratio cannot be used optimally by investors as a measuring tool in assessing whether a company is in a solvable condition or not. However, in contrast to the results of research conducted by Haryanti and Murtiasih (2019), Putri et al. (2020), and Hutapea et al. (2017) which states that the debt to equity ratio has an effect on PBV. According to Putri et al. (2020) this is because companies with high debt to equity ratios have large debt costs and will reduce the company's solvency level. Investors tend to avoid stocks that have a high DER, so this can be a negative signal for investors resulting in a decrease in PBV.

3. Size Moderating the Effect of Current Ratio (CR) on PBV

Based on the summary of the results of hypothesis testing above, it shows that size is able to moderate the effect of the current ratio on PBV. A high current ratio value indicates that the company is in a liquid condition and the company is able to fulfill it short-term obligations so that the company's operational activities are not disrupted by debt. This allows the company to gain greater profits. If the CR is high due to the large profits earned, then the earnings per share received by the shareholders will also increase. This will give a positive signal for investors to buy the company's shares which will result in an increase in PBV.

The results of this study are in line with research conducted by Mukhtasyam et al., (2020) which states that SIZE can moderate the relationship between CR and PBV, because a high CR indicates that the company's profits are greater, the SIZE will be higher because the greater the profits received by the shareholders. share. However, it is different from the research conducted by Endraswati and Novianti (2015) which stated that SIZE does not moderate the effect of CR on PBV.

4. Size Moderate the Influence of the Debt to Equity Ratio (DER) Against PBV

Based on the summary of the results of hypothesis testing above, it shows that size is able to moderate the effect of the debt to equity ratio on PBV. A high DER value indicates the greater the debt that must be paid by the company so that it can reduce the company's profitability. That way the SIZE value will be decreased due to reduced profits received by shareholders. This can be a negative signal that makes investor interest decrease so that PBV decreases. However, a high DER can also indicate that the company is expanding its business so that it can increase the achievement of company profits. That way earnings per share will also increase. This can be a positive signal for investors so that PBV also increases.

The results of this study are in line with research conducted by Mukhtasyam et al., (2020) which states that SIZE can moderate the effect of DER on PBV. However, it is different from the research conducted by Endraswati and Novianti (2015) and Haryanti and Murtiasih (2019) which stated that SIZE does not moderate the effect of DER on PBV.

CONCLUSIONS AND SUGGESTIONS

CONCLUSION

Based on the results of the research and discussion that has been carried out, the conclusions that can be drawn are as follows:

1. CR has a significant negative effect on firm value
2. DER has no significant effect on firm value
3. size moderate the effect of CR on firm value.
4. size moderates the effect of DER on firm value

SUGGESTION

The suggestions from the research to be conveyed are as follows:

1. For the management of the company, it is better to always evaluate the company's performance by optimizing the best use of current assets in order to get maximum profit so as to be able to create value for shareholders.
2. Investors should be more careful in understanding the company's financial statements when investing.
3. In this study there are still deficiencies. Therefore, it is hoped that further research that examines stock prices should use other factors. Not only involving factors belonging to the company's financial performance, but also using other factors such as macroeconomics and so on.
4. For future researchers, researchers should increase the vulnerable period used in conducting research and use other samples, so that this research can be generalized to all companies in Indonesia.

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THE EFFECT OF NET PROFIT MARGIN AND EARNINGS PER SHARE ON SHARE PRICE WITH DIVIDEND POLICY AS A MODERATION VARIABLE

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ABSTRACT

The share price, which is an indicator of the successful management of a company, is a very important factor and must be considered by investors when making an investment. An increase in share price will also show an increase in the wealth of investors as shareholders. This shows the importance of analysis of share prices and the factors that influence share prices. This research analyzes the effect of net profit margin and earnings per share, on share prices with dividend policy as a moderating variable. The population in this research are all banking companies listed on the Indonesia Stock Exchange for the 2016-2020 period. The data analysis technique used moderated regression analysis (MRA). The results showed that net profit margin and earning per share affect share prices. Dividend policy is able to moderate the effect of earnings per share on share prices but unable to moderate the effect of net profit margin on share prices.
Keywords: Earning per share, Net Profit Margin, Share price, Dividend policy

INTRODUCTION

In investing their capital, investors will certainly consider in advance the aspects within the intended company, so that in the future the main goal of investors in investing capital will be achieved, namely obtaining a share of the company's profits. One of the aspects considered by investors is the share price, which is a very important factor, because it is an indicator of the success of company management. An increase in share price will also reflect an increase in the wealth of shareholders as investors

According to (Jogiyanto, 2022), the stock price is the price that occurs in the stock exchange market at a certain time determined by market participants and determined by the demand and supply of the shares concerned in the capital market. According to (Tandelilin, 2017), the stock price is a reflection of investors' expectations of the factors of earnings, cash flow and the level of return required by investors, of which the three factors are also strongly influenced by macroeconomic performance. Therefore, it can be seen that it is very important for the role of stock prices to attract investors' attention so that investors are interested in investing their capital.

Banking companies are one of the economic sectors engaged in finance that has an important role, namely providing and channeling funds for the economic development of society. In order to continue to improve its performance, banking companies must be able to attract investors in order to obtain funds from investors. Supposedly, with the increasing need for people to obtain banking services, the company's share price will stabilize and tend to increase. But in reality, even the share prices of large banking companies, such as Banks, can fluctuate, as quoted in cnbcindonesia.com (2023).

Table 1 Banking Company Share Price Movement as of January 10, 2023

Emiten	Kode Saham	Harga Terakhir	Perubahan Harga
Bank Mandiri	BMRI	9.500	-2,31%
Bank Rakyat Indonesia	BBRI	4.530	-1,31%
Bank Central Asia	BBCA	8.375	-0,89%
Bank Negara Indonesia	BBNI	8.975	-0,28%

Source: **www.cnbcindonesia.com**, 2023

Reported by cncbindonesia.com (2023), banking stocks with the largest market capitalization (big banks) were observed to weaken again in the first trading session on Tuesday (10/1/2023) and contributed to the weight of the Composite Stock Price Index (JCI). It can be seen here, the large role of banking companies in the JCI. Despite being an industry that attracts investors, the banking industry itself is also prone to share price fluctuations, as it is sensitive to the global financial situation.

This study will analyze the factors that affect the stock price of banking companies by using dividends as moderation. According to (Prijanto et al., 2021), profitability is one of the factors that affect stock prices. The greater the profit or profit achieved by the company, the more investors will want to invest their capital, which of course will also increase the company's share price. (Kasmir, 2018) states that the profitability ratio is a ratio to assess the company's ability to seek profit or profit in a certain period, where one way to determine the company's profitability is through Net Profit Margin (NPM). NPM is used to assess the percentage of net profit achieved after deducting taxes from revenue earned from sales. Research (Prijanto et al., 2021) and (Musdalipah & Cholid, 2019) state that NPM significantly affects stock prices. However, the results of research from (Najiyah, 2021) and (Hadi, 2018) state that NPM does not significantly affect stock prices.

According to (Sudibyo, 2021), another factor that affects stock prices is earnings per share (EPS). EPS is the result of the calculation of the company's net profit divided by the number of shares outstanding. If the company's EPS is higher, more investors will want to buy the shares which will cause the stock price to be high. The higher the EPS value of a company, the greater the profit that the company will provide to shareholders. Research (Sudibyo, 2021) and (Lilianti, 2018) state that EPS significantly affects stock prices. However, the results of research (Alfiah & Lestarinimgsih, 2017) state that EPS does not significantly affect stock prices.

According to (Kurnia & Sunaryo, 2023), investors who invest their capital in a company certainly expect the company to earn large profits (profits), where part of the company's profits are distributed to shareholders in the form of dividends. Dividend Payout Ratio (DPR) which is one way to calculate dividends. (Kurnia & Sunaryo, 2023) states that DPR moderates the effect of NPM on stock prices, although research (Umar & Annisa, 2022) states that DPR is unable to moderate the effect of NPM on stock prices. On the other hand, according to (Umar & Annisa, 2022) and (Sudibyo, 2021), DPR is able to moderate the effect of EPS on stock price, although research (Gulo et al., 2022) states that DPR is unable to moderate the effect of EPS on stock price.

LITERATURE REVIEW

Stock Prices

According to (Saepudin et al., 2022), the stock price is the price formed from the interaction of sellers and buyers of shares based on expectations of company profits, where if the stock price drops, investors are more likely to sell their shares, and vice versa, if the stock price increases, investors are more likely to buy the company's shares. The stock price reflects the company's performance. Companies with stable stock prices and tend to increase, will increase investor interest in investing. The share price can be calculated by closing price (Kasmir, 2018).

Net Profit Margin

Net Profit Margin (NPM) is the percentage of revenue generated from business activities and calculates each operational fund flow and tax cost. All of these fund flows will then be calculated and measured to determine the percentage of profit obtained. (Warren et al., 2017) states that NPM is the profit on sales after calculating costs and income taxes. The higher the NPM, the better the operation of a company, so the higher the share price.

Earnings Per Share

Earnings Per Share (EPS) is earnings per share obtained from the calculation of the company's net income divided by the number of shares outstanding. A high company EPS will certainly increase the company's share price. When EPS rises, it means that the company gets more profit that can be used to develop the business or for dividends for investors (Van Horne & Wachowicz Jr, 2012).

Dividend Payout Ratio

Dividend Payout Ratio (DPR) is the ratio of the total amount of dividends paid to shareholders to the company's net income. The greater the DPR ratio, the greater the share of company profits that will be distributed to shareholders (Tandelilin, 2017). Investors will be more interested in investing in companies that regularly pay dividends.

RESEARCH METHODS

Conceptual Framework

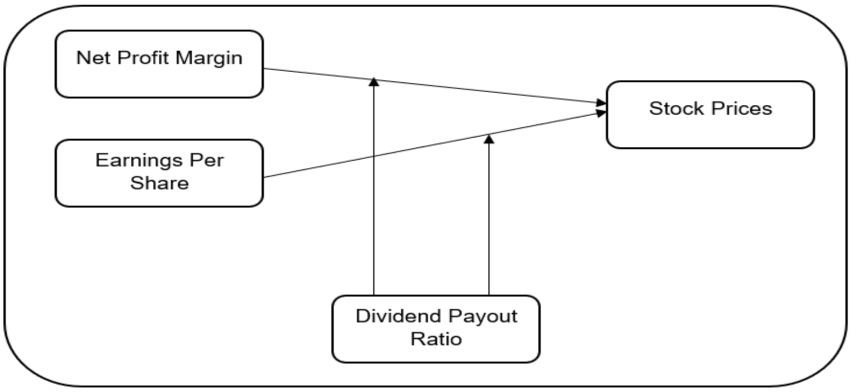

Figure 1 Conceptual Framework

In the conceptual framework above, it can be seen that this study aims to analyze the effect of Net Profit Margin (NPM) and Earnings Per Share (EPS) on Stock Price with Dividend Payout Ratio (DPR) as a moderating variable.

Then the hypothesis in this study is:

H_1: Net Profit Margin (NPM) has a significant effect on Stock Price

H_2: Earnings Per Share (EPS) has a significant effect on Stock price

H_3: Dividend Payout Ratio (DPR) is able to significantly strengthen the effect of Net Profit Margin (NPM) on stock prices.

H_4: Dividend Payout Ratio (DPR) is able to significantly strengthen the effect of Earnings Per Share (EPS) on stock prices.

Population and Sample

The research population is banking sector companies listed on the Indonesia Stock Exchange for the 2016-2020 period, totaling 47 companies (www.idx.co.id). The research sample was determined based on purposive sampling, which means sample selection based on certain criteria (Ghozali, 2018). The criteria for banking companies that are sampled are as follows:

i. The company is a company that is included in the type of banking during the period 2016-2020.
ii. Banking companies have issued and published financial reports on time during the 2016-2020 period.
iii. Banking companies that earned profits during 2016-2020.

The number of samples that meet the above criteria amounted to 28 companies, for 5 years of research, so that the sample amounted to 140. The method of analysis of this research is multiple linear regression analysis and residual test to see the presence or absence of moderator variables (Ghozali, 2018).

The data analysis technique used is the Regression Determinant Test to see how much influence the independent variable has on the dependent variable, the Regression t-Test to see the effect of the independent variable on the dependent variable and the Interaction Test to see how much influence the independent variable has on the dependent variable after moderation.

RESEARCH RESULTS AND DISCUSSION

All data muas have gone through classic assumption tests to avoid data bias (Ghozali, 2018). Data transformation has been carried out and the data dinyatakan has passed and is suitable for processing.

Table 2 Determination Coefficient Test Results

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.842[a]	.721	.701	.74122

a. Predictors: (Constant), LN_EPS, LN_NPM

b. Dependent Variable: LN_HARGA_SAHAM

Source : Data processed by researchers, 2023

In table 2 above, the adjusted R square value is 0.701, which means that the stock price can be explained by net profit margin and earnings per share by

70.1%, while the other 29.9% is explained by other variables outside the variables used in this study.

Hyphotesis Test

t-Test

Table 3 t-Test Results

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	T	Sig.
1	(Constant)	.911	.357		2.370	.012
	LN_NPM	-.323	.125	-.287	-2.438	.010
	LN_EPS	.912	.037	1.223	18.868	.000

a. Dependent Variable: LN_HARGA_SAHAM

Source : Data processed by researchers, 2023

From table 3 above, the conclusions can be explained as follows:

i. The significance value of NPM (X1) of 0.010 <0.05 indicates that NPM (X1) has a significant effect on Stock Price (Y). So, the hypothesis that NPM has a significant effect on Stock Price (H1) is accepted.
ii. The significance value of EPS (X2) of 0.000 <0.05 indicates that EPS (X2) has a significant effect on Stock Price (Y). So, the hypothesis that EPS has a significant effect on Stock Price (H2) is accepted..

Moderating Variable Tests

The purpose of this analysis is to determine whether the moderating variable will strengthen or weaken the relationship between the independent variable and the dependent variable. In this study we used the residual test.

Table 4 Significance Test Results of DPR in Moderating the Effect of NPM on Stock Price

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	T	Sig.
1	(Constant)	6.850	.220		30.100	.000
	LN_NPM	.072	.085	.070	.923	.344

a. Dependent Variable: LN_DPS

Source : Data processed by researchers, 2023

From table 4 above, it shows that the value or significance is 0.344> 0.05. The above equation can be used to obtain the residual value of the DPR (moderating variable). The residual value is used as a variable in residual testing I. The following is a table of residual test results I:

Table 5 Residual Test Results I

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	1.411	.281		4.866	.000
	LN_HARGA_SAHAM	-.041	.032	-.101	-1.183	.223

a. Dependent Variable: ABS_RES2
Source : Data processed by researchers, 2023

Based on table 5 above, the significance value is 0.223> 0.05, it can be concluded that DPR cannot moderate the effect of NPM on Share Price. So, the hypothesis that DPR is able to significantly strengthen the effect of NPM on Stock Price (H3) is rejected.

Table 6 Significance Test Results of DPR in Moderating the Effect of EPS on Stock Price

Coefficients[a]

	Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.602	.159		27.042	.000
	LN_EPS	.501	.025	.738	13.112	.000

a. Dependent Variable: LN_DPS
Source : Data processed by researchers, 2023

From table 6 above, it shows that the value or significance is 0.000 <0.05. The above equation can be used to obtain the residual value of DPR (moderating variable). The residual value is used as a variable in residual II testing. The following is a table of residual II test results:

Table 7 Residual Test Results II

Coefficients[a]

	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.250	.254		4.658	.000
	LN_HARGA_SAHAM	-.101	.030	-.212	-2.702	.006

a. Dependent Variable: ABS_RES2
Source : Data processed by researchers, 2023

Based on table 7 above, the significance value is 0.006 <0.05, it is concluded that DPR can moderate the effect of EPS on Stock Price. So, the DPR hypothesis is able to significantly strengthen the effect of EPS on Stock Price (H4) is accepted.

H_1: Net Profit Margin (NPM) has a significant effect on Stock Price

The significance value of NPM (X1) of 0.010 <0.05 indicates that NPM (X1) has a significant effect on Stock Price (Y). So, the hypothesis that NPM has a significant effect on Stock Price (H1) is accepted.

Indeed, investors should see NPM as a factor that will affect the value of company shares, including in this study, for the banking industry. Apart from being an indicator to see the company's profit, if the NPM value is maximized, then the company has good development and has the potential to provide investors with maximum profit. By calculating the NPM of a company, investors can measure the value of the company's effectiveness during operations. The greater the NPM ratio, the more productive the company's performance. This certainly makes investors believe that the company is really good to choose and to buy shares, which will certainly increase the company's share price.

The results of this study are in accordance with the results of research (Prijanto et al., 2021). However, different research results were presented (Najiyah, 2021) and (Hadi, 2018). The difference in research results can be caused by differences in the variable indicators used, the object of research and the year of observation of the research.

H_2: Earnings Per Share (EPS) has a significant effect on Stock Price

The significance value of EPS (X2) of 0.000 <0.05 indicates that EPS (X2) has a significant effect on Stock Price (Y). So, the hypothesis that EPS has a significant effect on Stock Price (H2) is accepted.

EPS is a method to determine the amount of dividends that investors will receive each year. Understanding EPS means that investors can estimate how much profit their investment will bring. The better the EPS of a company, the better the rate of return that shareholders will receive on the value of their investment. Of course, this will increase the share price of the company in which the investor invests.

The results of this study are in accordance with the results of research (Sudibyo, 2021) and (Lilianti, 2018). However, the results of this study are not in line with the results of research (Alfiah & Lestarinimgsih, 2017). The difference in research results can be caused by differences in the variable indicators used, the object of research and the year of observation of the research.

H_3: Dividend Payout Ratio (DPR) is able to significantly strengthen the effect of Net Profit Margin (NPM) on stock prices.

With a significance value of 0.223> 0.05, it can be concluded that DPR cannot moderate the effect of NPM on Stock Price. So, the DPR hypothesis is able to significantly strengthen the effect of NPM on Stock Price (H3) is rejected.

DPR as a ratio that describes how much the company shares the profits it earns to shareholders, should be able to strengthen the influence of NPM on stock prices. But in this study, DPR cannot strengthen the effect of DPM on the stock price of banking companies. This can happen because there are many other indicators that affect the stock price itself, especially banking companies, which are sensitive to certain conditions, such as macroeconomic conditions (the rise or fall of Bank Indonesia interest rates, inflation and others), fluctuations in the Rupiah exchange rate against foreign currencies, government regulations and others.

The results of this study are in line with the results of research (Umar & Annisa, 2022). However, the results of this study are not in line with the results of research (Kurnia & Sunaryo, 2023). The difference in research results can be caused by differences in the variable indicators used, the object of research and the year of observation of the research.

H_4: Dividend Payout Ratio (DPR) is able to significantly strengthen the effect of Earnings Per Share (EPS) on stock prices.

With a significance value of 0.000 <0.05, it is concluded that DPR can moderate the effect of EPS on Stock Price. So, the DPR hypothesis is able to significantly strengthen the effect of EPS on Stock Price (H4) is accepted.

DPR, which describes how much the company shares its profits with shareholders, will of course affect how much income per share from investors, which will be related to the increase in the value of the stock price. If the DPR increases, the EPS, which affects the share price, will also increase, along with the increase in investor interest in making investments. This is also the case in the banking industry whose management is regulated and supervised by the government, thus increasing investor confidence to invest.

The results of this study are in line with the results of research (Umar & Annisa, 2022) and (Sudibyo, 2021). However, the results of this study are not in line with the results of research (Gulo et al., 2022). The difference in research results can be caused by differences in the variable indicators used, the object of research and the year of observation of the research.

CONCLUSIONS

Research on stock prices is still considered important, because investors will certainly continue to need information about the factors that influence stock prices, which will determine investors' decisions in making investments. The results of this study concluded that Net Profit Margin (NPM) has a significant effect on Stock Price, Earning Per Share (EPS) has a significant effect on Stock price, Devidend Payout Ratio (DPR) is unable to significantly strengthen the effect of NPM on Stock Price, and DPR is able to significantly strengthen the effect of EPS on stock price.

This study has limitations where the object of research is only in the banking industry listed on the Indonesia Stock Exchange, so it cannot be generalized to other types of industries.

This study recommends that in the future relevant research use different research objects and different research variables, so as to add to the literature on the importance of stock prices for both companies and investors.

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COMPARATIVE ANALYSIS OF FINANCIAL PERFORMANCE BEFORE AND DURING THE COVID-19 PANDEMIC IN PROPERTY AND REAL ESTATE COMPANIES LISTED ON INDONESIA STOCK EXCHANGE

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ABSTRACT

This study aims to investigate the influence that COVID-19 pandemic on the financial performance of publicly traded property and real estate sector companies that are traded on the Indonesia Stock Exchange. Current Ratio (Liability), Return on Assets (Profitability), and Debt to Equity Ratio (Solvability) are the three ratios that are used to evaluate a company's financial performance. Comparing the financial data before (2018-2019) and during the COVID-19 epidemic (2020-2021). This research uses the Wilcoxon test to analyse the data. Purposive sampling was used to collect the sample, which ultimately led to 53 companies. According to the findings of the research, the pandemic caused by COVID-19 does not have a major influence on Current Ratio or Debt to Equity Ratio, but it does have an impact on Return on Assets.
Keywords: Covid-19 Pandemic; Financial Performance.

INTRODUCTION

The pandemic caused by the COVID-19 virus, which made its initial appearance in December 2019 in Wuhan, China, has had a significant effect on the whole planet. In February of 2020, the World Health Organization (WHO) decided that the illness should be referred to by its official name, which is Coronavirus Disease 2019 (Covid-19). The virus is highly contagious and has quickly spread to various countries, leading to an unprecedented global health crisis. The impact of the pandemic has also been felt in the country's economy. The household sector has been particularly affected, with many individuals experiencing a reduction in income or a complete loss of employment. Companies have been forced to lay off employees, with the trade sector experiencing the most significant decline in growth. Some companies have made various decisions to keep their businesses afloat, such as temporarily closing or reducing production. The real estate and property industries have also been affected, with a decrease in consumer spending leading to a fall in property demand and decreased stock prices for real estate firms.

The impact of the Covid-19 pandemic on corporate finances and gauge the financial health of the company, conducting an analysis of its financial performance is crucial. The analysis would involve evaluating the organization's financial statements. Financial performance refers to the extent to which a company meets its financial goals and objectives. This involves the examination of income, profit, assets, and other financial positions. In addition to indicating a company's efficiency and solvency, financial performance helps evaluate the company's future potential. This idea is essential for shareholders, creditors, and others interested in a company's financial health. The information in the financial statements is vital for understanding the financial situation of the organization. (Hanafi & Halim, 2012).

The research aims to analyse how Covid 19 has affected the bottom lines of IDX-listed property and real estate firms. Company management may learn a lot about the health of their finances by doing financial ratio analysis, which involves comparing several aspects of the company's financial statements. Indicators of a company's financial health include liquidity ratios, profitability ratios, solvency ratios, and activity ratios. The Solvency Ratio (Leverage Ratio) examines a company's ability to repay its debts, the Liquidity Ratio evaluates its ability to meet its short-term commitments and obligations, and the Profitability Ratio evaluates its ability to make profits. This profitability ratio is the end result of management's efforts to maximize the return on investment for the company's resources.

LITERATURE REVIEW

Financial Statement

Financial statements are documentation of the presentation of information on a company's financial state within a certain time period. This data may then be utilized to highlight the degree of performance the firm has achieved within the specified time period. The objective of financial statements is to report investments and offer a summary of the company's activities in terms of its operations throughout earlier time periods.

Financial Statements Analysis

Financial statements analysis is conducted to examine a company's financial status, its past, present, and future success, and the study of these financial statements will be utilized by interested parties for decision making.

Financial Ratio

The purpose of the financial ratio analysis is to establish the connection that exists between the accounts found on the income statement and the balance sheet of the financial statements. Analysis of financial ratios describes the relationship and comparison between one account's balance and the number of other accounts in the financial statements. Using analytical approaches with the help of this ratio, one will be able to explain or offer an overview of the financial health or status of a firm. The objective of a financial ratio analysis is to aid the firm in identifying its financial strengths and weaknesses and evaluating the performance of its financial statements in enabling all available resources to meet the company's goals

Profitability Ratio

Profitability ratio is a metric of firm performance evaluation that reveals the end consequence of a lot of management policies and initiatives. This ratio measures the level of return or gain (profit) relative to sales or assets, indicating the ability of the business to generate profits relative to its sales, assets, earnings, and the level of capital that it has at its disposal.

Liquidity Ratio

The liquidity ratio is a performance indicator that is designed to determine whether or not a firm is able to meet its short-term financial obligations. This competence is evaluated based on how liquid the firm is during the immediate time horizon.

Solvability Ratio

This ratio illustrates the extent to which the business is able to fulfill all of its financial commitments. Therefore, for a corporation to be considered stable, it must be able to satisfy all of its financial obligations, whether they be short- or long-term.

Activity Ratio

Activity ratio is a measure of the company's performance appraisal, which is intended to measure how effective the company is in using its funding sources.

THEORETICAL FRAMEWORK

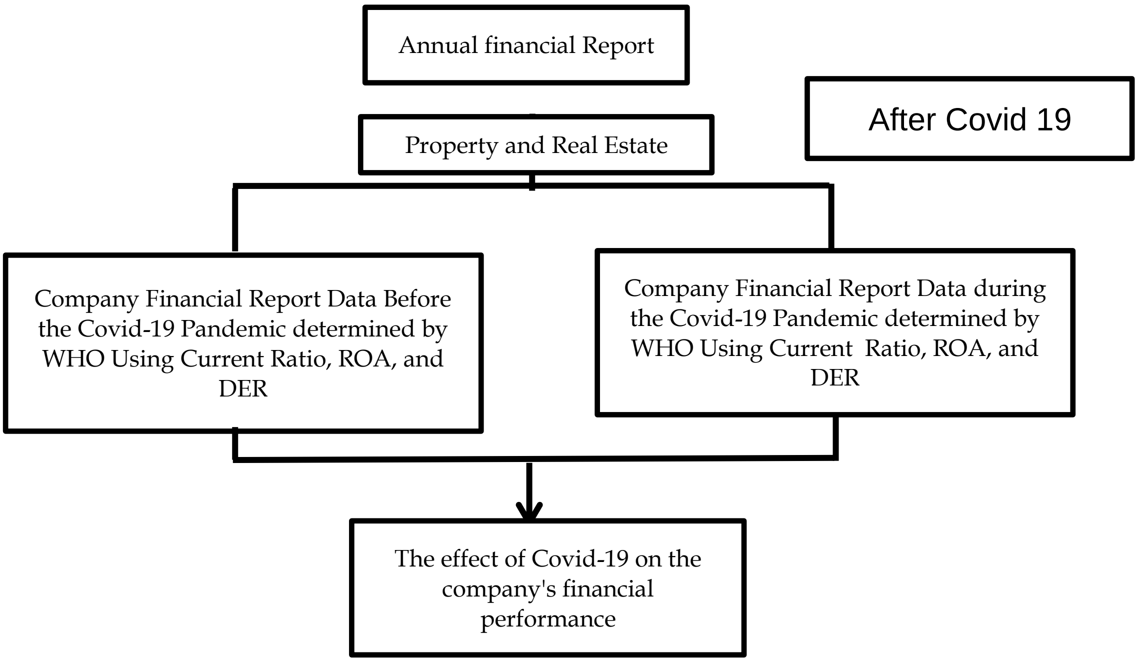

Figure 1 Theoretical framework

RESEARCH METHOD

Quantitative research is the approach that has been taken for this study. The data that was utilised was secondary data, more precisely the data from the company's financial reports. The population of this research is comprised of each of the 61 property and real estate industry businesses that are listed on the Indonesia Stock Exchange. Purposive sampling, which was used, and an observation period spanning from 2018-2020, were both utilized in the collection of as many as 53 samples from corporations. A descriptive test is being used in this investigation with Wilcoxon test will be utilized instead. In this line of inquiry, the Current Ratio, the Debt-to-Equity Ratio, and the Return on Assets Ratio will serve as variables observed

Table 1 Operational Variable

Variable	Indicator	Formula
Liquidity Ratio	Current Ratio (CR)	$\frac{\text{Currrent Assets}}{\text{Current Liabilities}}$
Profitability Ratio	Return on Assets (ROA)	$\frac{\text{Total Assets}}{\text{Net profit}}$
Solvability Ratio	Debt to Equity Ratio (DER	$\frac{\text{Total Liabilities}}{\text{Total Equity}}$

RESULT

Descriptive Statistic Test

Table 2 Descriptive Statistic

Ratio	Minimum	Maximum	Mean	Std Deviation
CR before	0.2565	38.1127	3.447657	5.3950077
CR during	0.1643	399.2079	12.182726	55.3324759
ROA before	-0.2487	.2912	.028177	.0759441
ROA during	-0.3003	.1604	-.008237	.0701599
DER before	0.0909	3.8029	.798027	.7413132
DER during	-13.5711	16.5561	.838752	3.0670574

The results of the descriptive statistics collected prior to and during the Covid-19 pandemic are presented here, including the changes in Current Ratio (CR), Return on Assets (ROA), and Debt to Equity Ratio (DER). The Current Ratio: Before the pandemic, the mean value of the Current Ratio was 3.447657 with a standard deviation of 5.3950077. The average Current Ratio rose to 12.182726 during the pandemic, with a standard deviation of 55.3324759. This was a significant increase. This points to an overall improvement in the capacity of these companies to satisfy their current liabilities using the current assets at their disposal.

Rate of Return on Assets in the years leading up to the pandemic, the Return on Assets had a mean value of 0.028177 and a standard deviation of 0.0759441. The average Return on Assets dropped to -0.008237 during the pandemic, while the standard deviation increased to 0.0701599. During the pandemic, this suggests that the average rate of return on assets that are available will be lower than usual.

Ratio of Debt to Equity Prior to the outbreak of the pandemic, the average debt to equity ratio was 0.798027, and the standard deviation was 0.7413132. The average Debt to Equity Ratio saw a slight increase to 0.838752 during the pandemic, with a standard deviation of 3.0670574 during the same time period. This would indicate that the average debt to equity ratio of these companies barely shifted at all during the course of the pandemic.

Before processing the data using the research model, a normality test was performed. The purpose of the normality test is to determine whether the distribution of the data in the variables under study is consistent. The Kolmogorov-Smirnov (K-S) test was used for this purpose. The data is assumed to be normally distributed if the significance level from the K-S test is larger than 0.05. On the other hand, if the p-value is less than 0.05, the data is not assumed to follow a normal distribution.

Normality Test

Before the data was processed using the research model, a normality test was performed on it. The purpose of the examination was to see whether there was a regular pattern to the distribution of data in the investigation's variables. A normal distribution was determined by using the Kolmogorov-Smirnov (K-S) test. In this study, we defined "normal" data as having a significance level of 0.05 or higher, and "not normal" data as having a significance level of 0.05 or below.

Table 3 One-Sample Kolmogorov-Smirnov Test

		CR	ROA	DER
N		53	53	53
Normal Parametersa,b	Mean	7.815192	.009970	.818389
	Std. Deviation	28.2244709	.0562373	1.6927362
Most Extreme Differences	Absolute	.405	.143	.312
	Positive	.405	.143	.217
	Negative	-.394	-.121	-.312
Test Statistic		.405	.143	.312
Asymp. Sig. (2-tailed)		.000c	.009c	.000c

Source: Data processed by the author (2022)

The significant values for the Return on Assets (ROA), Debt to Equity Ratio (DER), and Current Ratio (CR) derived from the normalcy test were all lower than the predetermined significance limits. When the obtained significance value is larger than the applied significance value, the data is said to have a normal distribution, as required by the standards. Thus, the Wilcoxon signed rank test was used as a non-parametric alternative test to evaluate the hypotheses pertaining to these variables. Since this is a non-parametric test, it was chosen.

WILCOXON TEST

Table 4 Current Ratio

Ranks

		N	Mean Rank	Sum of Ranks
DuringCovid – BeforeCovid	Negative Ranks	29a	25.07	727.00
	Positive Ranks	24b	29.33	704.00
	Ties	0c		
	Total	53		

Test Statisticsa

	DuringCovid – BeforeCovid
Z	-.102b
Asymp. Sig. (2-tailed)	.919

Source: Data processed by the author (2022)

Table 4 shows the results of the test for Current Ratio, which was used to compare data collected before and during the Covid-19 pandemic. The computed Z value was -1.02, and the significance value was 0.919. It has been determined that a CR of 0.919 is statistically significant. Given that this result is bigger than the threshold set at 0.05 (0.919 > 0.05), it is likely that the Current Ratio was not significantly different before and during the Covid-19 epidemic. This is due to the fact that a larger significance level suggests that there is no meaningful change between the two time periods.

Table 5 Return on Assets

Ranks

		N	Mean Rank	Sum of Ranks
DuringCovid – BeforeCovid	Negative Ranks	42a	27.36	1149.00
	Positive Ranks	11b	25.64	282.00
	Ties	0c		
	Total	53		

Test Statisticsa

	DuringCovid – BeforeCovid
Z	-3.838b
Asymp. Sig. (2-tailed)	.000

Source: Data processed by the author (2022)

As shown in Table 5, The estimated Z-score was -2,491 at the 0.0001 level of significance. Significantly different Return on Assets Ratios were seen before and during the Covid-19 pandemic, with the resulting significance value of 0.000 falling below the acceptable significance threshold of 0.05 (0.000 0.05). This indicates that the Return on Assets has been significantly affected by the Covid-19 pandemic.

Table 6 Debt to Equity Ratio

Ranks

		N	Mean Rank	Sum of Ranks
DuringCovid – BeforeCovid	Negative Ranks	27a	20.96	566.00
	Positive Ranks	26b	33.27	865.00
	Ties	0c		
	Total	53		

Test Statisticsa

	DuringCovid – BeforeCovid
Z	-1.323b
Asymp. Sig. (2-tailed)	.186

Source: Data processed by the author (2022)

The test on the Debt-to-Equity Ratio (Table 6) reveals no statistically significant difference between the CR before and during the Covid-19 epidemic.

Debt to equity ratio changed little from before the pandemic to after it, as shown by the Z value of -1,323 and the significance level of 0.186. This suggests that the Debt to Equity Ratio was not substantially impacted by the Covid-19 epidemic, since the resulting significance value (0.002) is larger than the needed significance level (0.05) (0.186 > 0.005).

DISCUSSION

Current Ratio before and During Covid-19 in Indonesia

The Test to compare the Current Ratio before and during the Covid-19 epidemic, the findings indicated that there was no significant change. Therefore, H_1 was rejected. The current ratio is an essential measure of a company's capacity to satisfy its short-term financial commitments, according to Sartono (2010). A higher current ratio indicates that the organization is better able to meet its commitments on schedule. Current ratio (CR) averages before and during the Covid-19 epidemic. Before the epidemic, the average CR was 3,448 times, but it was 12,183 times during the pandemic, suggesting a considerable rise. This might be linked to the company's ability to properly manage liquidity despite the pandemic's effects.

The improvement in the current ratio is attributable to a rise in property and real estate inventories as a consequence of fewer transactions. This demonstrates that the corporation has efficiently managed its liquidity during the epidemic. This is consistent with the findings of Esomar et al. (2021) and Alamsyah (2021), who discovered that despite the impact of the Covid-19 pandemic, there was no significant difference in the Current Ratio of Property and Real Estate companies. This is because companies have been able to effectively manage their liquidity and maintain their ability to meet short-term financial obligations.

Return On Assets Before and During Covid-19 In Indonesia

The Test results performed by SPSS indicate that the ROA ratio in this research is statistically significant. Thus, hypothesis H_2 is accepted. Therefore, it can be argued that the Profitability ratio as assessed by Return on Assets had significant effect before to or during Covid-19.

The results of this research indicate that Covid-19 has an influence on the financial performance of the firm. ROA gauges a company's profitability relative to its existing assets. All firm assets, including real estate, personal money, and foreign capital, are included in the assets in question. The bigger a company's ROA, the greater its capacity to produce a profit from its investments, and vice versa. As determined by Return On Assets, the Covid-19 outbreak significantly impacted the financial success of a corporation (ROA). This difference occurred during a pandemic because the results of the calculation of net profit decreased, which was caused by a decrease during the Covid-19 pandemic, the company's sales level declined due to a decrease in people's ability to purchase property and a drop in the demand for housing and real estate investments. The uncertain economic situation was a contributing factor., investors have likewise abstained from making any investment acquisitions.

This demonstrates a reduction in management's capacity to manage the firm's existing resources to create profits, an inability that was exacerbated by the Covid-19 pandemic, which weakened people's buying power and thus decreased corporate sales revenue. This study's findings are consistent with those of Esomar et al. (2021) and Lowardi et al. (2021), whose data processing utilizing ROA revealed disparities in the financial performance of Indonesian financing firms before and after Covid-19. The investigation found a lack of variety in Return on Assets, which was attributable to customers' declining buying power. In light of the economic instability caused by the Covid-19 outbreak, people will prioritize meeting their fundamental needs and adopt a savings-oriented attitude.

Debt to Equity Ratio before and During Covid-19 in Indonesia

The results showed that the DER ratio did not have a significant impact on the solvency of the companies before and after the announcement of the Covid-19 pandemic. Despite the economic turmoil caused by the outbreak, the real estate industry demonstrated remarkable resilience. A thorough examination of the financial accounts of real estate firms demonstrates that the expansion of assets and equity has surpassed the rise of debt, suggesting a robust financial position. This event demonstrates the sector's capacity to weather the present economic crisis and preserve stability. Prior to the pandemic, the average Debt to Equity Ratio (DER) was 73%, but during the Covid-19 epidemic, the average DER was 69%, which is positive since it is lower than the industry average.

The Debt to Equity Ratio indicates the extent to which a company's assets are funded by debt. A high DER means that the assets funded by debt are greater than the assets funded by the company's own capital, which is seen as unfavorable. This study's conclusions are in line with those of Violandani (2021) and Lowardi et al (2021), who stated that there was no significant variation in the Debt to Equity Ratio (DER) prior to and during the Covid-19 pandemic. This is because the examination of the financial performance of property and real estate firms during the pandemic showed that the growth in assets and equity was larger than the increase in debt.

CONCLUSION AND SUGGESTION

The objective of this study is to examine the impact of the Covid-19 pandemic on the financial performance of property and real estate enterprises listed on the IDX. The results of the analysis demonstrate that the Current Ratio, which gauges the liquidity of the firms, did not exhibit a substantial variation prior to and during the pandemic. Conversely, the impact of Covid-19 on the Return on Assets was observed, implying a change in the administration of assets towards increased net profit. The Debt to Equity Ratio, a measure of a company's financial stability, showed no significant change before and during the pandemic. This suggests that while the pandemic had some effect on the financial performance of the property and real estate businesses, its impact on their liquidity and solvency was not substantial

Based on the research findings and conclusions, the following recommendations are proposed for future researchers, investors, and companies:

i. For future researchers, it is recommended to broaden the sample variables, extend the research period, and consider a wider range of industries beyond the property and real estate sector. This would produce more generalizable research outcomes and provide a better understanding of how the pandemic has affected different industries and sectors. An extended research period would also provide a comprehensive view of the long-term effects of the pandemic on the economy.

ii. For investors, the insights gained from this research can be useful in determining whether companies are worth investing in during a pandemic. The research findings provide information on which industries and sectors are most affected by the pandemic and which companies are most likely to bounce back in the long-term. A deeper understanding of the economic impact of the pandemic can help investors make more informed decisions on where to invest their capital.

iii. For companies, the research findings can serve as a guide for improving financial performance during a pandemic. Companies can use these insights to increase their long-term value, attract more investors, and secure more capital for future growth. By having a better understanding of the economic impact of the pandemic, companies can make more informed decisions on how to allocate their resources and adapt to the changing economic environment. In order to attract more investors and increase their long-term value, it is advised for companies to use their financial performance as an example for managers to improve.

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ANALYSIS OF FINANCIAL PERFORMANCE BEFORE AND AFTER THE ENFORCEMENT OF GOVERNMENT REGULATIONS (PP) NUMBER 30 OF 2020 AT PT GUDANG GARAM TBK. (GGRM)

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ABSTRACT

This study aims to analyze the performance of financial statements before and after the enactment of Government Regulation (PP) Number 30 of 2020 at PT Gudang Garam Tbk (GGRM). In this study using 1 company population. The selected company is PT Gudang Garam Tbk. The data used is data for 5 years, namely from 2018 to 2022. The method of determining the sample in this study uses a descriptive quantitative research method. The research process used is a quantitative method. Data analysis was carried out using descriptive quantitative which was processed using financial ratios. The results of this study indicate that there are differences in the ratio of Return on Equity, Debt to Asset Ratio, Current Ratio, Inventory Turnover, Price Earnings Ratio before and after the enactment of Government Regulation Number 30 of 2020, but the results of this study experienced a decrease in profit after the implementation of Government Regulation Number 30 of 2020
Keywords: ROE, DAR, CR, IT, PER, PP Number 30 of 2020

INTRODUCTION

Government Regulation (PP) number 30 of 2020 concerning tariff reduction The income tax for domestic corporate taxpayers in the form of public companies which was set on June 18 2020 is one of the Indonesian government's responses in dealing with the corona virus pandemic for entrepreneurs in the form of fiscal incentives . The consideration for stipulating Government Regulation (PP) number 30 of 2020 concerning reducing the PPh rate for domestic corporate taxpayers in the form of an open company is to implement the provisions of article 5 paragraph (3) of law number 2 of 2020 regarding the determination government regulation in lieu of law number 1 of 2020 concerning state financial policies and financial system stability for handling the 2019 corona *virus disease* (COVID-19) pandemic and/or in order to deal with threats that endanger the national economy and/or financial system stability into law, says that public company taxpayers who at least 40% (forty percent) of the total paid-up shares are traded on the stock exchange in Indonesia and meet certain other requirements can obtain a reduction in the Income Tax rate of 3% (three percent).) lower than the Income Tax rate . However, after the enactment of the government regulation (PP).

Based on the description above , the researcher is interested in conducting an analysis of the company's financial performance one year before and one year after the enactment of government regulation (PP) number 30 of 2020 at PT Gudang Garam Tbk which is listed on the Indonesia Stock Exchange (IDX) for the period 2020 - 2022 This research is interesting to do to find out the cases corona _ First announced in Indonesia on 2 March 2020 . The manufacturing sector, which contributed part big A GDP, experienced decline performance.

Company discontinued temporary activity production Because subtraction import material standard and effort prevention of the covid - 19 virus. Thus, the author intends to compare the financial performance one year before and one year after the enactment of government regulation (PP) number 30 of 2020 at PT Gudang Garam Tbk.

LITERATURE

Return On Equity (ROE)

Return On Equity (ROE), is a ratio to measure net profit after tax with own capital. This ratio shows the efficient use of own capital. The higher this ratio, the better. It means the position of the owner

Debt to Total Asset Ratio (DAR)

Debt to Total Asset Ratio (DAR), is a debt ratio used to measure the ratio between total debt and total assets. In other words, how much the company's assets are financed by debt or how much the company's debt affects asset management (Kasmir 2019: 158).

Current ratio (CR)

Current ratio is a ratio to measure a company's ability to pay short-term obligations or debts that are due soon when billed as a whole. In other words, how much current assets are available to cover short-term obligations that are due soon (Kasmir 2019: 134).

Inventory Turnover

Inventory turnover is the ratio used to measure how many times the funds invested in this inventory rotate in a period. It can also be interpreted that inventory turnover is a ratio that shows how many times the number of inventory items is replaced in one year. The smaller this ratio, the worse and vice versa (Kasmir 2019:182) .

Price Earning Ratio

Fahmi (2014:21), stated that for investors the higher *Price Earning Ratio*, the expected profit growth will also increase. That way *the Price Earning Ratio* (price to profit ratio) is a comparison between *the market place* per share (market price per share) and *earnings per share* (earnings per share).

RESULTS

Return on Equity (ROE)

The Return on Equity analysis on income before the implementation of Government Regulation Number 30 of 2020 concerning reducing tax rates at PT Gudang Garam Tbk, it has increased from 2018 to 2019. The increase in the ratio of *return on equity* is due to an increase in sales volume. In 2019 the *return on equity ratio* was 21.36%, an increase of 4% compared to 2018 of 17.26%, in 2020 after the crisis the *return on equity ratio* was 13.06%, decreased by 8% compared to 2019 before the crisis of 21.36%, in 2021 the *return on equity ratio* is 09.25%, a decrease of 5% from the previous year due to a decrease in the company's net profit as a result of the decrease in gross profit caused by the cost of goods sold

Debt to Total Asset Ratio (DAR)

The debt to asset ratio analysis of PT Gudang Garam Tbk, the increase of 35% in 2019 was due to an increase in total liabilities. This shows that PT Gudang Garam Tbk is increasingly funding with debt. The decrease of 25% in 2020 was due to a large decrease in total liabilities. With *the debt to asset ratio* that can be generated by PT Gudang Garam Tbk in the period 2018 to 2021 below 35%.

When compared to the industry standard according to Kasmir (2019) of 35%, the resulting ratio is below the industry standard so that *debt to assets* is considered quite good because the company is able to cover its obligations with its assets.

Current ratio (CR)

Current ratio size analysis of PT Gudang Garam Tbk from 2018 to 2021 of 2.1 times to 2.9 times, which means it is quite good because the total current assets are 2.9 times current debt or every 1-rupiah, current debt is guaranteed by 2.9-rupiah current assets or 2.9:1 between current assets and current liabilities.

Inventory Turnover

Inventory Turnover analysis calculation, it is known that PT Gudang Garam Tbk shows movements that tend to be the same. The highest value is found in 2019 to 2021 of 2 times. The increase in this ratio is because the company can control inventory levels so that sales value can be increased. While the lowest value was found in 2018 of 1 time, this condition is because the company cannot manage the level of inventory owned by the company so that working capital embedded in inventory accumulates.

Price Earning Ratio

The Price Earning Ratio (PER) analysis, it is known that PT Gudang Garam Tbk showed that in 2018 *the Price Earning Ratio was* 20 times the income, which means that the 2018 stock price is equivalent to 20 times net income for one year, and in the following year 2019 experienced decreased to 9 times earnings, which means that the share price in 2019 is equivalent to 9 times net income for one year, then in 2020 and 2021 10 times earnings, which means the share price in 2020 and 2021 is equivalent to 10 times net income for one year.

CONCLUSION

Return On Equity (ROE) increased by 4% from 2018 to 2019. The increase in the *return on equity ratio* was due to an increase in sales volume. Furthermore, from 2019 to 2021 it has decreased due to a decrease in the company's net profit as a result of the decrease in gross profit caused by the cost of goods sold.

The debt to asset ratio (DAR) in 2018 to 2019 has increased due to an increase in total liabilities, in 2019 to 2020 it has decreased due to a large decrease in total liabilities, in 2020 to 2021 it has increased again due to an increase in total debt.

The Current Ratio (CR) in 2018 to 2021 will only increase in 2020 because cash is not being used as well as possible.

Inventory Turnover (IT) in 2019 to 2021 tends to be the same because companies can control inventory levels so that sales value can be increased.

The Price Earning Ratio (PER) in 2018 to 2019 has decreased because the stock price has fallen, in 2019 to 2021 it has increased because the stock price has risen.

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THE EFFECT OF INVESTMENT OPPORTUNITY SET, PROFITABILITY, CAPITAL STRUCTURE AND DIVIDEN POLICY ON FIRM VALUE

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ABSTRACT

Firm value is very important for shareholders as the higher the share price, the higher the firm value would be. To attain shareholders' wealth reflected in the share price, a company can conduct policies among them, investment, capital structure, and dividend policy. This study aims to examine and analyze the effect of the investment opportunity set, profitability, capital structure, and dividend policy on firm value. This study was performed in companies Manufacturing on the Indonesia Stock Exchange during the 2017 to 2021, with a total of 193 companies. The research sample was selected using purposive sampling with the sample obtained were 39 manufacturing companies for 5 years so as to obtain 195 observations. The data analysis technique used panel data regression analysis. The results of the analysis show that the investment opportunity set, Profitability, and Capital Structure have a positive and significant effect on firm value in the manufacturing companies on the Indonesia Stock Exchange. However, the dividend policy does not affect firm value in the manufacturing companies on the Indonesia Stock Exchange
Keywords: Investment Opportunity Set, Profitability, Capital Structure, Dividend Policy, Firm Value

INTRODUCTION

Due to the on going growth of the global economy, the growth rate of shares of manufacturing company on the Indonesia Stock Exchange has varied during the last five years. Due to these swings, shareholders' primary concern is now the stock price, which serves as a gauge of the company's value (Sudiyatno et al., 2020). The high amount of a company stock price indicates a high firm value as well (Mulyani et al., 2022). Increasing the value of the company is an achievement that is in accordance with the wishes of the owners, by increasing the value of the company, the welfare of the owners also increases.

The investment opportunity set is one of the factors that influences the firm value (Khuzaini et al., 2017). IOS is a choice of future investment opportunities that can affect the of company value. IOS of a company affects the perspective of managers, owners, investors, and creditors of a company. The research of result (Batubara, 2019; Khuzaini et al., 2017; Nur'aini & Yuniati, 2019; Sudani & Darmayanti, 2016; Sulistiono, 2016) concluded that the investment opportunity set has a significant positive effect on firm value while the research result of (Wahyudi, 2020) found that the investment opportunity set has no effect on firm value.

The second factor that affects the firm value is profitability. Profitability is the profit obtained by the company in carrying out its operations. The increase in profitability will increase the firm value, (Sudani & Darmayanti, 2016). The research of result (Batubara, 2019; Khuzaini et al., 2017; Pambudi et al., 2022;

Sudani & Darmayanti, 2016) concluded that profitability has a positive and significant effect on firm value while the research result of (Kriwidianingsih & Nugroho, 2021; Nur'aini & Yuniati, 2019) concluded that profitability has a negative effect on firm value.

Furthermore, the third factor that influences firm value is capital structure. Capital structure is a funding decision on will affect the value of the company (Majid, 2016).The research result of(Ni Wayan Rudini et al., 2021; Nur'aini & Yuniati, 2019) concluded that capital structure has a negative and significant effect on firm value. Meanwhile the research by(Batubara, 2019)concluded that the capital structure does not affect firm value.

Dividend policy is also a factor that affects the value of the company. A dividend policy is a decision that determines whether the profits earned by the company at the end of the year will be shared with shareholders in the form of dividends or will be withheld to increase capital and finance investments in the future (Mulyani et al., 2022). According to research findings (Marjohan, 2022; Ovami & Nasution, 2020; Senata, 2016) the dividend policy significantly and favorably affects the company's value. Despite the fact that the study's findings (Khuzaini et al., 2017) indicated that dividend policy did not significantly affect a company's value.

This research is a replication of previous research. The research was conducted with Investment Opportunity Set, Profitability, Capital Structure, and Dividend Policy as the independent and dependent variables of Firm Value.

LITERATURE REVIEW

Firm Value

Firm value is defined as market value. Firm value is measured by price to book value (PBV), which is the ratio between stock price and book value per share (Brigham dan Houston, 2019). Firm value is very important because a high firm value will be followed by high shareholder wealth, and investors expect the company's prospects to improve in the future.

Invesment Opportunity Set

IOS which is a choice of future investment opportunities where IOS has an important role for the company that will affect the value of the company (Mulyani et al., 2022).The research conducted by (Batubara, 2019; Khuzaini et al., 2017; Nur'aini & Yuniati, 2019; Resti et al., 2019; Sudani & Darmayanti, 2016) found that the investment opportunity set has a significant positive effect on firm value.

H_1: Investment Opportunity Set has a positive effect on firm value.

Profitability

Profitability is the company's ability to earn profits from its business activities. High profitability shows the ability to generate large profits for shareholders. The higher the profitability of the company, the more attractive investors are to invest, and will affect the high value of the company (Monoarfa, 2018). The research result of (Batubara, 2019; Khuzaini et al., 2017; Pambudi et al., 2022; Sudani & Darmayanti, 2016) found that profitability has a positive and significant effect on firm value.

H_2: Profitability has a positive effect on firm value.

Capital Structure

Capital Structure is a comparison or balance of a company's long-term funding as shown by a comparison of long-term debt to equity where these funds have the ability to affect company value(Nur'aini & Yuniati, 2019).The research result of(Ni Wayan Rudini et al., 2021; Nur'aini & Yuniati, 2019) concluded that capital structure has a negative and significant effect on firm value.

H_3: Capital structure has a negative effect on firm value.

Dividend Policy

Dividend policy is whether the profits earned by the company at the end of the year will be shared with shareholders in the form of dividends or retained to increase capital to finance future investments (Mulyani et al., 2022).Increasing dividend payments gives a signal that the company has good and profitable prospects and shows the higher value of the company. The research result of(Marjohan, 2022; Ovami & Nasution, 2020; Senata, 2016) concluded that dividend policy has a positive and significant effect on firm value.

H_4: Dividend policy has a positive effect on firm value.

RESEARCH METHOD

This study uses a quantitative approach. The data source used is secondary data obtained from the financial and annual reports of manufacturing companies for the 2017-2021 period and listed on the Indonesia Stock Exchange. Data was obtained through internet access on the website www.idx.co.id. The method used is purposive sampling. Purposive sampling is a sampling method based on the following criteria:

i. Manufacturing companies listed on the IDX from 2017 to 2021
ii. The company publishes financial statements for the period 2017 to 2021
iii. The company distributes dividends from 2017 to 2021

Thils study usels ilnvelstmelnt opportunilty selt (IlOS/X1), profiltabillilty (ROS/X2), capiltal structurel (DElR/X3), and dilvildelnd polilcy (DPR/X4) as ilndelpelndelnt varilablels and filrm valuel (PBV/Y) as thel delpelndelnt varilablel. Data analysis uses panel data, whereas research combines time series and cross-section data.

RESULT

Model selection using chow test and hausman test:

Table 1.Selection Model

Test	**Prob.**
Chow	0.0000
Hausmant	0.0000

Table 1 shows a p-value on chow and hausmant test of 0.0000 <0.05, so the best model is the fixed effect model.

Table 2.FEM

Variable	Coefficient	t-Statistic	Prob.
C	-8.343095	-3.872363	0.0002
IOS	13.24554	5.493282	0.0000
PROF	0.093073	2.429912	0.0163
CS	2.711064	2.924729	0.0040
DP	-0.160919	-0.660039	0.5102
R	0.860790		
R^2	0.822325		
F-statistic	22.37806		
Prob	0.000000		

Partial and Simultaneous test results are as follows:

i. IOS has a positive significant effect on Firm Value, $t_{Statistic} > t_{table}$ (5.493>1.652) and significant 0.000 < 0.05

ii. Profitability has a positive significant effect on Firm Value, $t_{Statistic} > t_{table}$ (2.249>1.652) and significant 0.016 < 0.05

iii. Capital structure has a positive significant effect on Firm Value, $t_{Statistic} > t_{table}$ (2.924>1.652) and significant 0.004 <0.05

iv. Dividend policy does not affect Firm Value, $t_{Statistic} > t_{table}$ and significant > 0.05

v. Overall or the F test shows that IOS, Profitability, SM, and DP affect Firm Value due to the probability < 0.05

DISCUSSION

Effect of Investment Opportunity Set on Firm Value

Investment Opportunity Set has a positive and significant effect on firm value in Manufacturing Companies on the Indonesia Stock Exchange for the 2017-2021 period so that the H1 hypothesis is accepted. Increasing the Investment Opportunity Set means that the company can have good prospects in the future and can increase the value of the company.

Effect of Profitability on Firm Value

Profitability has a positive and significant effect on firm value, which makes the H_2 hypothesis accepted. Companies that have high enough profitability will get sufficient funds so that companies can improve their performance which results in increasing company value.

Effect of Capital Structure on Firm Value

Capital structure has a positive and significant effect on firm value in Manufacturing Companies on the Indonesia Stock Exchange for the 2017-2021 period, which makes the H_3 hypothesis get rejected.The greater the capital structure, the firm value will also increase.

Effect of Dividend Policy on Firm Value

The dividend policy does not affect firm value in Manufacturing Companies on the Indonesia Stock Exchange for the 2017-2021 period, so the H_4

hypothesis is rejected. The reason dividend policy does not affect firm value because shareholders only want to take short-term profits by obtaining capital gains. Investors consider dividend income is not more profitable than capital gains.

CONCLUSION

Partially Investment Opportunity Set, Profitability, and capital structure have a positive and significant effect on firm value, while dividend policy has no effect on firm value. Simultaneously IOS, Profitability, capital structure, and dividend policy have a positive and significant effect on firm value

RECOMMENDATION

Recommendation It is hoped that this research can become a policy for companies in determining and increasing company value.

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ANALYSIS OF NON DEBT TAX SHIELD, GROWTH OPPORTUNITIES, AND CAPITAL STRUCTURE

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ABSTRACT

The purpose of this study is to analyze and explain Non Debt Tax Shield, Growth Opportunities, and Capital Structure in the Mayora Indah TBK Company for the 2017-2021 period. The data analysis technique used is descriptive statistical analysis. Descriptive statistical analysis by collecting data and then classifying it to obtain the facts that exist in the object under study. In this study the authors perform data calculations using formulas. The data obtained comes from the financial statements of Mayora Indah Company, TBK for the 2017-2021 period. The research results obtained were that the lowest total NDTS occurred in 2019, namely 0.030. And the highest total NDTS occurred in 2021, which was 0.042. Where the higher the NDTS level of a company, the lower the level of debt owned by the company. Meanwhile, based on the calculation of Growth Opportunities for the 2017-2021 period, the company's total assets have increased every year. This means that the higher the level of opportunity company growth (Growth Opportunities) then the company will tend to use shares to fund it or their own capital. Based on the total DER calculation on the company's capital structure variable, there is a fluctuating cycle every year.
Keywords: *Non Debt Tax Shield, Growth Opportunities, Capital Structure*

INTRODUCTION

Mayora Indah Tbk Company is a large manufacturing company from Indonesia engaged in the food and beverage sector. Not only in Indonesia, products made by Mayora Indah Tbk. have also entered the global market and are marketed in various countries. The Mayora Tbk company has been listed on the Jakarta Stock Exchange since July 4, 1990. In the current era of increasingly modern globalization, the Company expected to take advantage of their talents have with the best to be much better than their competitors . The problem of fierce business competition is also a problem that occurs in the company Mayora Indah Tbk. In this study, the author will analyze and explain 3 variables at Mayora Indah Tbk., namely the *Non Debt Tax Shield variable, Growth Opportunities* variable , and capital structure variable at Mayora Indah Tbk company for the 2017-2021 period.

The capital structure variable itself is considered important for an organization or company. According to Van Horne and Wachowicz (2015), states that capital structure is a combination (or ratio) of a company's long-term permanent financing, which is represented by debt, preferred stock, and equity. Sudana, (2019) argues that capital structure is a company's long-term expenditure as measured by a comparison of long-term debt with its own capital. Structure capital is problem Which very important for company. Because This related with risk And return company. For know is company Already efficient in financing, so company must know structure capital Which optimal . According to Kamil & Krisnando, (2021) said *the non-debt tax shield* is a cost that comes from tax benefits other than debt, namely depreciation. So, a company with a high NDTS level will have low debt because cash flow is the company's capital to run its business. This can be seen when *the non-debt tax shield* rises, the debt decreases. Conversely, if *the non-debt tax shield* decreases, debt increases.

Growth *opportunities* are the development opportunities for the company itself and include opportunities to invest in the future. This may be seen when the higher the company's growth rate, the better the company. This information is good for the company in increasing demand for shares by investors which has a good impact on rising share prices and company value.

THEORETICAL BASIS

Analysis of *Non Debt Tax Shield* in Companies

According to Himawan & Wibowo (2016) *a non-debt tax shield* is a tax reduction or saver obtained by a company other than using debt, such as depreciation. Based on *the pecking order theory* of companies that consider depreciation profit and loss in determining the capital structure , companies can reduce corporate debt. Formula used:

$$\text{NDTS} = \frac{Depreciation}{Total\ Assets} \times 100$$

Analysis of *Growth Opportunities* in the company

According to Himawan & Wibowo (2016) *growth opportunities* are opportunities for companies to grow in the market, companies with high growth opportunities usually do not take advantage of investment opportunities, because they transfer shareholder wealth to debt holders. Companies with high growth potential encourage companies to continue to develop their businesses, and of course the sources of funds needed for this are not a few internal funds that are held in a limited manner which affect the company's capital structure or financial decisions. To calculate *Growth Opportunities* for one year, you can use the formula, namely (final value-initial value) then divide by the initial value, then multiply by 100. The following is the formula for finding Growth Opportunities:

$$\text{GROWTH} = \frac{Total\ Assets - Total\ Assets(t-1)}{Total\ Assets(t-1)} \text{x } 100\%$$

Analysis of Capital Structure in Companies

According to Fahmi (2012), it is said that the capital structure consists of ordinary shares, preferred shares and various types of similar shares, retained earnings and long-term liabilities owned by companies in financial assets. and company value. In this study using the *Debt to equity ratio (DER). Debt to equity ratio* is a ratio that measures the ratio of debt to equity used by a company.

$$Debt\ to\ Equity\ Ratio = \frac{Total\ Utang\ (Debt)}{Ekuitas\ (Equity)} \times 100\%$$

RESEARCH METHODS

The data analysis technique used in this research is descriptive statistical analysis. The author performs data calculations using formulas. Data obtained from the financial statements of Mayora Indah Company, TBK for the 2017-2021 period. For data collection techniques are secondary data obtained indirectly or data obtained from a second party. The second party referred to is media publication or other research. This study uses data in the form of financial reports. These data were obtained through the company's official website.

DATA ANALYSIS

Non Debt Tax Shield Analysis

Table 1 Non Debt Tax Shield data processing for the 2017-2021 period

Year	Total NDTS
2017	0.036
2018	0.031
2019	0.030
2020	0.037
2021	0.042

Based on table 1 above , the *Non Debt Tax Shield (NDTS)* analysis for the period 2017 to 2021 has experienced unstable changes. The lowest total NDTS occurred in 2019, namely 0.030. And the highest total NDTS occurred in 2021, which was 0.042.

Growth Opportunities Analysis

Table 2 Growth Opportunities data processing for the 2017-2021 period

Year	Total *Growth Opportunities*
2017	0.154%
2018	0.179%
2019	0.082%
2020	0.038%
2021	0.007%

Based on the table it can be seen that total assets always increase every year. Company growth is expressed as total assets, where last year's asset growth reflects future profitability.

Capital Structure Analysis

Table 3 Results of processing of Capital Structure data for the 2017-2021 **period**

Year	Total Capital Structure
2017	1.02%
2018	1.05%
2019	0.92%
2020	0.75%
2021	0.75%

Based on table 3, it can be concluded that the DER cycle occurs fluctuatingly. The DER ratio is a measuring tool for finding the size of a company's capital structure each year. For 2017 and 2018 DER > 1 , namely 1.02 in 2017 and 1.05 in 2018. Which means that the amount of debt is greater than the amount of equity or capital. Whereas in 2019 to 2021 DER < 1, which is 0.92 in 2019 then in 2020 and 2021 it is 0.75. Which means that the amount of debt is smaller than the amount of equity/capital.

EVALUATION

Non Debt Tax Shield Analysis

The calculation results obtained are based on the financial statements of PT. MAYORA INDAH, TBK for the period 2017 to 2021 it can be concluded that the *Non Debt Tax Shield variable* experiences unstable changes every year. This is because the total assets owned by the company have a higher value than the depreciation value owned by the company. Based on the pecking order theory , companies with high NDTS reduce corporate debt when income increases. Because some of the profits received are internal sources of funds . When a company has a high NDTS , the company doesn't need to use a lot of debt.

Growth Opportunities Analysis

Based on the calculation results obtained, it can be concluded that total assets always increase every year. Company growth is expressed as total assets, where last year's asset growth reflects future profitability. This means that if the level of *growth* opportunities is high , the company tends to use shares to fund it or its own capital. That means the company can increase demand for shares by investors which will have a good impact on rising share prices and company value. Based on the *pecking order* theory , companies with high growth potential allow companies to have lower equity financing costs. Lower equity financing costs encourage companies to finance their growth with internal funds .

Capital Structure Analysis

In this study it can be seen that the capital structure variable occurs fluctuatingly every year. The DER ratio is a measuring tool to find the size of the capital structure each year. This is because the increase in company value is due to interest payments on the debt being tax deductible, so that the profit earned increases thereby affecting the increase in company value. It is very important for companies to strengthen their financial stability because changes in capital structure are expected to cause changes in the value of the company. A decrease in the value of the company can affect the decrease in the value of the company's shares. Firm value is obtained from the results of the quality of company activities, especially financial performance, which of course cannot be ruled out with the help of the non-financial sector, because the *common effect* determines the value of the company. Capital structure analysis is considered important because it can be used to assess risks and long-term prospects based on the level of income generated by a company from its operations. This opinion is corroborated by research conducted by (Amelia & Anhar, 2019)

CONCLUSION

The lowest total NDTS was in 2019 of 0.030. And the highest total NDTS occurred in 2021,which was 0.042. The higher the NDTS level of a company, the lower the level of debt owned by the company . This is because the total assets owned by the company have a higher value than the depreciation value owned by the company. This means that if the *Non Debt Tax Shield value* increases, the level of debt owned by the company will be low.

Based on the calculation of *Growth Opportunities* for the 2017-2021 period, the company's total assets have increased every year. If the company's growth *opportunities* are high, it will tend to use shares to fund it or own capital. That way the company can increase demand for shares by investors which will have a good impact on rising share prices and company value.

Based on the total DER calculation on the company's capital structure variable, there is a fluctuating cycle every year. The funding policy reflected in the DER determines the profit achievement that the company will achieve. For 2017 and 2018 DER > 1, namely 1.02 in 2017 and 1.05 in 2018. Which means that the amount of debt is greater than the amount of equity or capital. Whereas in 2019 to 2021 DER < 1, which is 0.92 in 2019 then in 2020 and 2021 it is 0.75. Which means that the amount of debt is smaller than the amount of equity/capital.

SUGGESTION

For future researchers, the writer hopes to add and expand the companies under study. And it is hoped that it can deepen more regarding the variables *Non Debt Tax Shield, Growth Opportunities,* and Capital Structure in the companies studied.

Companies are expected to further maximize their capabilities in order to achieve the desired value and profit.

Investors are expected to be careful in investing and assess the company carefully beforehand to avoid losses.

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THE INFLUENCE OF ENVIRONMENTAL COST, ENVIRONMENTAL PERFORMANCE, AND CORPORATE SOCIAL RESPONSIBILITY DISCLOSURE ON FINANCIAL PERFORMANCE

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ABSTRACT

This study aims to obtain empirical evidence regarding the effect of Environmental Costs , Environmental Performance and Corporate Social Responsibility Disclosure on Financial Performance . The data used is secondary data. The population used in this study consists of 13 energy and mining sectors that are listed on the IDX for the 2018-2021 period. The sample selection method uses purposive sampling. The results of this study indicate that Environmental Cost has no effect on Financial Performance with both proxies, ROA and Tobin's Q, Environmental Performance has an effect on Financial Performance with ROA proxy but has no effect on Financial Performance with Tobin's Q proxy, Corporate Social Responsibility Disclosure has an effect on Financial Performance for both ROA and tobin's Q proxies.

BACKGROUND

Financial performance is an important element in the progress of a business (Nugroho & Yulianto, 2015) . Importance of financial performance for company causes company competing for creating perfect financial performance. However, that thigs can’t make sure for bringing positive or negative impact to society and environment (Derila et al., 2020).

In this digital era, so many enfironment issues that become very important issue also spotlight in various countries, especially in Indonesia. The prouctivity and efficiency operation resulted decline quality of the environment, such as water pollution, air pollution as well as substraction land function (Putra et al., 2021). Some examples of environmental problem that happened in Indonesia are pollution environment in Karawang on July 2019. It's caused because of oil spill PT Pertamina (Persero) (DW. com, 2019). The same phenomena also happened in Riau. The river water got pollution consequence seepage and spillage oil because of PT Chevron Pacific Indonesia operational activitiy (Portonews.com (2021). Those cases above prove that still low company's attention to negative impact from activity production by the company to environment and society. Because of it, company must carry out to overcome damage nature caused by the operation activities. To overcome those problems, the company has responsibility by doing some effort protections and management environment with implementing a disclosure program Corporate Social Responsibility (CSR), for example with do processing waste from results production.

Besides CSR disclosure, companies also need increasing quality environment with following PROPER program to control bad impact caused from operational activity company. This program has started in 2002. (Damanik and Yadnyana , 2017) in (Evita & Syafruddin, 2019). With implementation of these activitie, costs arise which are called by environmental costs (Setiawan et al., 2018). So that, the influence between Environmental Cost, Environmental

Performance, and Corporate Social Responsibility Disclosure to Financial Performance become interesting topic for researched.

THEORETICAL FRAMEWORK AND HYPOTHESIS DEVELOPMENT

Legitimacy Theory

Legitimacy Theory focus on interaction between the company and stakeholder. This theory assume that stakeholder is one of the important factor in developing company for long term period. Ghozali and Chariri (2007) stated that base theory legitimacy is “contract social” between company and the society in which the company operate and use source economics power.

The Influence of Environmental Cost to Financial Performance

Environmental cost is costs which incurred by the company as effort protection consequence exists the damages that arise because of operational activity (Ermaya & Mashuri, 2020) . Environmental costs consists from associated costs with reduction in the production process that delivers impact on the environment (internal) as well as related costs with repair damage consequence generated waste (external) (Pambudi, 2022) .

H_{1a} : Environmental Costs influences positive to Financial Performance with ROA proxy measurement.

H_{1b} : Environmental Cost Influences positive tomFinancial Performance with Tobin's Q proxy measurement.

The Influence of Environmental Performance to Financial Performance

Environmental performance describes size condition finances and capabilities company in get profit (Putri et al., 2020). Company which viewed as organization must stay in accordance with pubic law to ensure that the company is accepted and stay on existence (Whino , 2014 in Ermaya & Mashuri, 2020) .

H_{2a} : Environmental Performance influences positive to Financial Performance with ROA proxy measurement.

H_{2b} : Environmental Performance influences positive to Financial Performance with Tobin's Q proxy measurement.

The Influence of Corporate Social Responsibility Disclosure (CSR) to Financial Performance

Corporate Social Responsibility (CSR) is a concept that company has responsibility to consumers, employees, holders stocks, society, and the environment in all aspect operational, including aspect economics, social and environment (Sagara & Chairunissa, 2018).

H_{3a} : Corporate Social Responsibility (CSR) influences to Financial Performance with ROA proxy measurement.

H_{3b} : Corporate Social Responsibility (CSR) influences to Financial Performance with Tobin's Q proxy measurement.

RESEARCH METHOD

Population and Sample

Population used in this research are energy and mining companies listed on the Indonesian Stock Exchange and issuing Financial Report as well as Annual Report also Assessment Program Company Performance Rating (PROPER) issued by the Ministry of Environment Life and Forestry during 2018-2021 period.

Table 1 Definition of Operational Variable

Variable	Formula	Source
FP	$\frac{EAT}{Tot.Assets}$	Manurung and Rachmat, 2019
	$\frac{Tot.MV\ +\ Tot.BVL}{Tot.BVA}$	Bryant-Kutcher et al, 2012
EC	$\frac{Total\ EC}{EAT}$	Nababan and Hasyir (2019)
EP	PROPER Score	Ministry of Environment Life and Forestry
CSR	$\frac{\sum xij}{nj}$ x 100%	GRI G4

FP : Financial Performance
EC : Environmental Cost
EP : Environemntal Performance
CSR : Corporate Social Responsibility
EAT : Earning After Tax
MV : Market Value
BVL : Book Value Liabilities
BVA : Book Value Asset

DATA ANALYSIS METHOD

Data analysis method in this study is analysis quantitative method. Analytical quantitative done with method quantify the data used sample study so that produce required information in the process of analysis. Analysis tools used in study is analysis double regression method with IBM Statistics Package for Science (SPSS) program assistance 25 version. Data analysis techniques used writer in study are:

Statistics Descriptive Analysis (Ghozali, 2018);
Assumption Classic Test (Ghozali, 2018);
Double Regression Analyze (Ghozali, 2018);
Statistical-f Test (Ghozali, 2018);
Statistical-t Test (Ghozali, 2018);
Coefficient Determination Analyze (R2) (Ghozali, 2018).

DISCUSSION, CONCLUSION, SUGGESTIONS AND LIMITATIONS OF STUDY, HYPOTHESIS TEST RESULT

Multiple Linear Regression Test Results

ROA = *0,042 – 0,011 EC + 0,029 EP - 0,151 CSR*
Tobin's Q = *0,939 – 0,201 EC - 0,127 EP + 1,255 CSR*

Statistical F Test Results

The F value for ROA proxy regression shows 3,107 with 0,035 sig and F value for Tobin's Q proxy regression shows 3,033 with 0,040 sig. It shows that both of them has sig less than the alpha (0,05). It's concluded that both regression model is sognificant influence between independent and dependent variable.

Stastitical T Test Result

In ROA proxy, Environmental Cost has no influential on Financial Performance because sig (0,292) > 0,05. Environmental Performance influential positive on Financial Performance because sig (0,048) < 0,05. Corporate Social Responsibility (CSR) has negative effect on Financial Performance because sig

(0,031) < 0,05. While in Tobin's Q proxy, Environmental Cost has no influential on Financial Performance because sig (0,451) > 0,05. Environmental Performance has no influential on Financial Performance because sig (0,105) > 0,05. CSR has positive effect on Financial Performance because sig (0,011) < 0,05.

DISCUSSION

Environmental Cost has no influential on Financial Performance with ROA proxy. Hadi (2011) states that high environment cost can't make better financial performance. Environmental cost has no economy consequence too. There are some companies ignore cost issued environment, so it causes influence to financial report annual companies that won't be seen (Camilia, 2016).

Environmental Cost has no influential on Financial Performance with Tobin's Q proxy. Loading of environmental cost to the company will cut the capital of the company so that this load financed by the company and the company more prioritizing their production process for increase profit.

Environmental Performance influential positive on Financial Performance with ROA proxy. Ezejiofor (2016) stated that environmental performance can increase goodwill, which creates economic benefit and increase reputation company in society so it support the higher financial performance company.

Environmental Performance has no influential on Financial Performance with Tobin's Q proxy. Based on perspective company, allocation of funds for environmental preservation will add cost for company, so it will reduce company's profit. Then, subtraction of company's profit will influence to take investors' decisions. So that, good environmental performance can't increase financial performance in significant.

Corporate Social Responsibility (CSR) has a negative effect on Financial Performance with ROA proxy. The existence of Corporate Social Responsibility disclosure can influence good or bad image company to society and investors. However height evaluation hasn't given an inluence to height profit company that will get. The taller CSR disclosure score, the more it needs higher cost to realize the programs.

Corporate Social Responsibility (CSR) has a positive effect on Financial Performance with Tobin's Q proxy. This research proof that Corporate Social Responsibility has an influence to enhancement of company's Financial Performance, such as increasing sales, promotion, increasing investor confidence in the capital market, as well increasing mark for well-being the owner is also the community and the environment.

CONCLUSION AND LIMITATION

This research aims to know the influence of Environmental Cost, Environmental Performance, and Corporate Social Responsibility Disclosure on Financial Performance with ROA and Tobi's Q proxy. From this research, we can take conclusion that Environmental Cost having no influential on Financial Performance with both proxies ROA and Tobin's Q. Environmental Performance influential positive on Financial Performance with ROA proxy but having no influential on Financial Performance with Tobin's Q proxy. Corporate Social Responsibility (CSR) has a negative effect on Financial Performance with ROA proxies and has a positive effect with Tobin's Q proxy.

The limitation in this research is the Heteroscedasticity Test used is scatterplot graph so reader can conclude in a manner subjective. So, for the next research can use Heteroscedasticity Testing with other test which has more objective results.

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POSITIVE AND NEGATIVE IMPACT OF FINTECH DEVELOPMENT FOR MSMES PLAYERS IN THE INDUSTRIAL ERA 4.0

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ABSTRACT

The purpose of this paper is to describe the positive and negative impacts of fintech on MSMEs in the industrial era 4.0. In addition to knowing the reasons for the development of fintech in MSMEs in the industrial era 4.0 although there are still negative impacts. This research method is a descriptive method where data is obtained from additional or complementary data sources from primary data in the form of journals and articles that have been previously published. The results of this paper show that the development of fintech has a positive and negative impact, each of which is able to reach all MSMEs to remote areas and the negative impact is the potential loss of data and funds for MSME users.
Keywords: *Positive Impact, Negative Impact, MSMEs, Industrial Era 4.0, Fintech Development*

INTRODUCTION

Currently, the State of Indonesia continues to be in a very extraordinary development. One of them is in the field of technological development. Entering the industrial era 4.0 makes Indonesia have to be technologically literate in any way, especially in terms of economy. One of the technological developments that occur in Indonesia today is in terms of finance which continues to make it easier for people to make transactions even remotely. It is undeniable that the ease of this developing technology is well accepted by all circles of society. With this new technology, people will be more flexible in transacting without being hindered by long distances.

Financial technology or commonly called Fintech is a transcensorship technology that is currently widely used by all parties without age restrictions. Previously, fintech itself had been issued in fatwa no. 116/DSN-MUI/IX/2017 and fatwa on sharia-based *financial technology* financing services with fatwa no. 117/DSN-MUI/IX/2018. Currently, fintech is a factor from the outside environment that contributes to shaping financial management behavior in the industrial era 4.0.

Business development in Indonesia is experiencing rapid development which is marked by the emergence of many new startups and has become a trend lately. Indonesian startups have achieved a lot of success such as Shoope, Gojek, Grab, Tokopedia, or Lazada, becoming a powerhouse for the emergence of new startups, so that financial features appear to the public in order to provide convenience and good service, so that gradually rapid development changes the financial industry to the digital era. The combination of technology and finance is often interpreted as financial technology (Fintech). The Industrial Revolution 4.0 has so far brought significant changes to the way of human life.

In recent years, the level of development of information and communication technologies has increased very rapidly, its development covers all aspects of life. The development of information and communication technology has contributed to innovation in terms of digital finance. Therefore, its development includes financial and payment systems. One of the digital financial innovations is to issue an e-wallet (digital wallet) to make it easier for people to store money and carry out other financial transactions. Considering that the financial and payment system is one of the important components in the world economy, both from the trade sector and payment transactions that occur in other sectors of the world. The development of digital finance is very rapid starting from paper money, metal with now the latest digital money. Therefore, many fintechs are competing to innovate in financial systems and electronic payments, including by creating digital wallets to make it easier for people to store money and conduct other financial transactions.

For MSME players, fintech can be a solution to increase productivity and efficiency. Therefore, MSME players are expected to be able to master matters related to the scope of fintech. Innovation in the financial services industry using fintech products is usually a system for conducting certain financial transactions. The prospect of MSME development in Indonesia itself is quite high. According to peer-to-peer *landing* data , funding for the productive sector of MSMEs is also being studied to increase. This increase is so that in October 2021 it had grown by around 52.74% of the total funding where when viewed in 2020 it was only 38.92%. So it can be concluded that the development of *fintech* in the current era has a positive impact on the Indonesian economy.

In the previous research, namely from Hadi Purwanto Delvi Yandri and Maulana Prawira Yoga with the title "Development and Impact of Financial Technology (Fintech) Towards Financial Management Behavior" states that the impact generated by fintech development is divided into positive and negative impacts. The positive impacts of fintech itself are:

1. Ease of financial placement
2. Completing the financial transaction chain
3. The existence of fintech in Indonesia also has a negative impact, namely:
4. Misappropriation of customer funds
5. Investment scams
6. Cases of fraud under the guise of loans
7. Threatening to stop banking business
8. Dependence on the internet
9. Accumulation of fintech applications on mobile

In addition, in other studies, namely from the research of Budi Raharjo, Khairul Ikhwan, Alkadri Kusalendra Siharis on "The influence of fintech on the development of MSMEs in Magelang City". Fintech has an important role in the performance of MSMEs, namely in the form of increasing efficiency both from operations and efficiency enjoyed by its members. The application of Fintech in the opportunity to apply Fintech to MSMEs is to expand the market targeted by cooperatives, namely targeting MSME players who need easy financial assistance in today's digital era. In addition, Fintech based on this article also mentions the negative impact, namely low public trust in digital transactions due to the many fraudulent news.

PROBLEM STATEMENT

From the explanation stated above, the following problems can be formulated:

What are the positive and negative impacts of fintech on MSMEs in the 4.0 era? How is the development of fintech for MSMEs in the 4.0 era?

PURPOSE OF THE STUDY

From the formulation of the problem above, the objectives of this study are as follows:

1. To find out how the positive and negative impacts of fintech on MSMEs in the 4.0 era.
2. To find out the development of fintech towards MSMEs in the 4.0 era.

RESEARCH METHODS

In conducting this research, the method used is a descriptive method using secondary data obtained from second sources or additional or complementary data sources from existing primary data, in the form of evidence, records or historical reports that have been compiled and published in the form of journals, articles and books and accessing credible websites and sites.

DISCUSSION

Fitech

Fintech, according to Gimantara is a technology industry in financial services with the latest innovations that can provide financial services outside conventional financial institutions so that it is easy to use access to financial products in transactions.

According to Viyanti, fintech is a business product that provides automated financial services and software-based imports such as payments via mobile devices. According to Wisman Toro, fintech is the latest innovation in finance engaged in lending and borrowing money online, with an easy lending process.

According to Bank Indonesia (BI), fintech is the result of a combination of financial services and technology that changes business models from conventional to medium, so as to help buying and selling transactions and payment systems become efficient, economical and remain effective.

According to Yudha, fintech is a tool or media used to explain financial technology used and utilized in the financial system. From the above understanding, it can be concluded that fintech is a technological advancement that applies transactions in digitalization which is useful for describing technological innovation in the financial system.

UMKM

Micro, Small and Medium Enterprises (MSMEs) have their own specific definitions, namely:

Micro Business is a productive business owned by an individual business entity that meets the criteria for micro business as stipulated in the law

Small Business is a productive business that stands alone, carried out by individuals or business entities that are not subsidiaries

Medium Enterprises are productive economic businesses that stand alone, carried out by business entities that are not branches of companies owned, controlled, or become part either directly or indirectly, both small and large businesses with total net worth or annual sales results. It can be concluded that MSMEs are productive businesses owned by business entities, or natural persons, with a certain effort to obtain wealth from the proceeds of sales efforts

INDUSTRIAL REVOLUTION 4.0

Industry 4.0 is heading towards a new phase in the industrial revolution that focuses on interconnectivity, automation, machine learning, and real-time data. Industry 4.0, also referred to as *lloT* or intelligent manufacturing, brings together production and physical operations with digital technologies, machine learning, and big data to form a holistic and connected ecosystem especially companies focused on manufacturing and supply chain management. Although companies are of different types and scales, every company faces the same challenge, namely the need for connectedness and access to insights in real-time across processes, partners, products, and people. This era of revolution 4.0 raises opportunities as well as threats in the form of job losses and increased production for developed countries among the opportunities are products as services, sharing economy, as well as digital services and exports.

RESEARCH RESULTS

Fintech in the industrial era 4.0 continues to have an impact, especially for MSMEs that use it. Impact is always followed by positive and negative which can also be called advantages and disadvantages after using fintech. For the positive impact of using fintech for MSMEs in the 4.0 era, namely:

1. Fintech provides easy access to various types of financial services
2. Able to reach all MSMEs to remote areas
3. Fintech has opened
4. Fintech provides great benefits for the empowerment of MSMEs and the local economy.

In addition to positive impacts, the use of fintech also has negative impacts that can pose risks, namely:

Consumer protection

Protection of user funds

Potential or decrease in financia capacitiveither due to misue, farud, from fintech activities.

User data protection

Many fintech users are violated by parties who abuse fintech such as hacker attacks, malware, and others

National interest

Anti-money laundering and countering the financing of terrorism

Financial system stability

Adequate risk management is necessary so as not to negatively impact financial stability.

CONCLUSION

Fintech is a technological advancement that applies transactions in digitalization which is useful for illustrating technological innovations in the financial system. MSMEs are productive businesses owned by business entities, or individuals per individual, with certain efforts to get wealth from the results of sales efforts. Industry 4.0 is heading towards a new phase in the industrial revolution that focuses on interconnectivity, automation, machine learning, and real-time data. Industry 4.0, also referred to as *lloT* or intelligent manufacturing, brings together physical production and operations with digital technologies, machine learning, and big data to form a holistic and connected ecosystem primarily with companies focused on manufacturing and supply chain management.

The positive impacts of using fintech for MSMEs in the 4.0 era are:
Fintech provides easy access to various types of financial services
Able to reach all MSMEs to remote areas

Fintech has opened up easier and faster access to business financing
Fintech provides great benefits for the empowerment of MSMEs and the local economy.

In addition to positive impacts, the use of fintech also has negative impacts that can provide risks, namely:
Consumer protection
Protection of user funds

Potential loss or decrease in financial capacity either due to misuse, fraud, from fintech activities
User data protection
Many fintech users are violated by parties who abuse fintech such as hacker attacks, *malware*, and others
National interest
Anti-money laundering and countering the financing of terrorism
Financial system stability
Adequate risk management is necessary so as not to negatively impact financial stability.
Some of the reasons fintech is growing despite the negative impact on its use;
The community continues to deepen fintech knowledge and apply it in the daily economic life of MSME players.

The increasing generation of tech-savvy people can help expand the use of fintech to be socialized to MSME players who still do not understand the use of fintech

Digital development in terms of fintech continues to improve with the aim of ease of access and transactions in the economy, as well as the expansion of fintech types that make it easier for the MSME community to transact.

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ANALYSIS OF THE FEASIBILITY OF BUILDING A HOSPITAL IN TERMS OF SITUATION, DEMAND, NEED, AND FINANCIAL ASPECTS (A REVIEW OF THE FEASIBILITY CASE STUDY OF THE SOUTH SUMATRA PROVINCIAL HOSPITAL IN PALEMBANG).

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ABSTRACT

Introduction: Feasibility studies are one of the classifications in licensing for building hospitals in accordance with Permenkes 56 of 2014 article 64. RSUD Prov. Sumsel requires a review based on the guidelines for the hospital feasibility study because previously it used a business feasibility study. The feasibility study based on the Directorate of Medical Support Services and Health Facilities Development Directorate of Health Efforts Development of the Ministry of Health of the Republic of Indonesia in 2012 covers situational aspects, demand aspects, needs aspects, and financial aspects. Methods: This research is an operational observational study with a quantitative and qualitative approach. Data collection was carried out by means of observation, document study and interviews. Result: RSUD Prov. Sumatra Selatan is still guided by a business feasibility study with a study of marketing aspects of 43.95%, market potential that has just been cultivated, emergency visits which have increased by 9.67%. Based on the regulatory aspect, it has service standards for type B educational hospitals. The management aspect still requires local government support. Aspects of the construction location with adequate land area and accessibility. Environmental aspects can estimate the impact of operations on the environment. Conclusion: The feasibility study at the Prov. Hospital Sumsel needs to be updated based on a hospital feasibility study which includes aspects of the situation which are already quite good but there is no detailed SWOT mix, aspects of demand are incomplete including analysis of eligibility for bed capacity, eligibility for types of services and superior services. In terms of needs, needs to be fulfilled in accordance with land requirements, analysis of space requirements, list of medical equipment needs, calculation of manpower patterns, organizational structure and job descriptions. The financial aspect needs to be made projections of income and costs, cash flow projections, financial analysis in the form of BEP, IRR and NPV.

Keywords: Feasibility study, hospital, situational aspects, demand aspects, needs aspects, and financial aspects.

INTRODUCTION

Hospitals are health facilities that are technology-intensive so that they will become capital-intensive and expert-intensive by prioritizing health services. Therefore, developing a hospital requires a lot of money. On the other hand, the hospital business is still classified as a social enterprise. On the other hand, when viewed from the wishes of the people, which lead to efforts to improve service quality and at low cost, as well as the expectations of the people of South Sumatra Province, so that the provincial government of South Sumatra, especially the provincial health office, needs to take into account the economic risks associated with population development, capacity buying community, service needs, state of local health services, state of health infrastructure and available resources.

In the national health system, the hospital has a position as a medical referral center. Every hospital organizer is required to have a permit, both a construction permit and an operational permit. The owner or manager who will build a hospital submits an application for a permit to establish a permit according to the classification of the hospital to be built as referred to in Article 64 Permenkes no 56 of 2014, one of which is attaching a feasibility study.

The Guidelines for Feasibility Studies for Hospitals of the Ministry of Health of the Republic of Indonesia (2012) state that a feasibility study is the result of an analysis and explanation of the feasibility of all aspects that will underlie the establishment or development of a hospital, related to determining the work plan for health services. carried out or continued from what is already there in carrying out a development plan or upgrading the class of a hospital.

The Regional General Hospital of South Sumatra Province is located in a potential area for the possibility of increased city activities, considering that its location is quite strategic so it is easy to visit from various directions. For researchers it is very important to review the feasibility analysis of the Prov. Hospital. The existing South Sumatra, due to the basis of the Feasibility Study Guidelines from previously using the Business Feasibility Study Guidelines, became the Guidelines for Preparation of Hospital Feasibility Studies from the Directorate of Medical Support Services and Health Facilities Development Directorate of Health Efforts of the Ministry of Health of the Republic of Indonesia in 2012, The Feasibility Study is reviewed from the situational aspect, demand aspect, need aspect and financial aspect.

LITERATURE REVIEW

Hospital Feasibility Study

The feasibility study is the result of an analysis and explanation of the feasibility of all aspects that will underlie the establishment or development of a hospital, related to determining the work plan for new hospital health services to be carried out or the continuation of existing ones in carrying out plans for developing or upgrading the class of a hospital.

Situation Analysis

Situation Analysis in the Feasibility Study carried out an analysis of all aspects both from External factors as opportunities or threats as well as Internal factors which can be strengths or weaknesses so that these aspects can make a Hospital tend to carry out new developments or carry out development in the form of increasing the service status of the Hospital.

Demand Analysis

The demand aspect is determining the feasibility to determine the power in establishing a hospital. The dimensions of demand analysis include hospital land and location as well as classification of hospital classes with indicators of bed capacity, types of services and superior services.

Analysis of Needs

Needs analysis is an analysis of the needs that must be provided by the Hospital as a whole which is adjusted based on the demand analysis that has been carried out. The dimensions of the aspect of needs include the need for land, space, medical and non-medical care, human resources, as well as organizational needs and job descriptions.

Financial Analysis

Financial Analysis provides an overview of the planned use of budget resources owned, so that the rate of return on costs that will be invested can be identified. Thus, the owner/investor can see the level of profit that might be obtained. Financial aspects are analyzed from investment plans and sources of funds, revenue and cost projections, cash flow projections, and financial analysis.

RESEARCH MODEL

The research method used in this study is a type of observational operational research, with a quantitative and qualitative approach. Data collection techniques using data collection through interviews, observation, and documentation.

RESULTS

The following are the results of the feasibility analysis at the RSUD Prov. Sumsel based on Guidelines for Preparation of Hospital Feasibility Studies from the Directorate of Medical Support Services and Health Facilities, Directorate of Health Efforts, Ministry of Health, Republic of Indonesia in 2012.

Situation Aspect

Judging from the situational aspect, the feasibility study that has been made is quite good, but there are still deficiencies, namely the data that existed at the time of preparation in 2009, must be re-evaluated because the data is no longer relevant and incomplete with the conditions of the Prov. Hospital. Sumsel was built in 2016 and there is no detailed SWOT on external and internal aspects.

Demand Aspect

Viewed from the demand aspect, the feasibility study that was made in 2009 was quite good, but still not complete so there is a need for appropriate evaluation and feasibility analysis, namely the feasibility analysis of the predetermined hospital classification, feasibility analysis of bed capacity, type feasibility analysis superior services and services of the RSUD Prov. Sumatera Selatan.

Aspects of Needs

Viewed from the needs aspect, the feasibility study that was made in 2009 was incomplete, so it is necessary to evaluate and analyze the needs that must be provided by the hospital from the analysis of demand aspects, such as the need for land requirements, analysis of space requirements, list of medical equipment requirements, pattern calculation personnel, organizational structure and appropriate job descriptions.

Financial aspect

From a financial perspective, the feasibility study that was made in 2009 was incomplete, so it was necessary to evaluate and make items that did not yet exist, such as making income and cost projections, cash flow projections, financial analysis in the form of Break Event Point, Internal Rate of Return and Net Present Value.

CONCLUSION

Based on the feasibility study of building a hospital at the Prov. South Sumatra, which was previously made, consultants and the South Sumatra Prov health office used the business feasibility study method. However, based on the results of interviews and viewing documents directly from the business feasibility study, it has not been fully prepared, such as the absence of technical and operational aspects, economic and social aspects, financial aspects.

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THE IMPACT OF LIQUIDITY RATIO, RETURN ON ASSET (ROA), RETURN ON EQUITY (ROE), ON COMPANY VALUE AND MODERATED BY CORPORATE PHILANTROPY

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ABSTRACT

Increasingly Every company that has gone public will issue shares that can be owned by investors who invest in the company. However, investors tend to maintain the value of the company because the nature of the value of the company is very volatile. According to Bisnis.com, mining sector shares experienced the deepest decline among other sectoral indices amid the weakening of the Jakarta Composite Index (IHSG) in session I or the end of session I, the JCI closed with a correction of 0.59 percent or 37.46 points to 6,352.38 . The JCI moves in the range of 6,288.98-6,434.84 The objects of research are mining companies listed on the Indonesia Stock Exchange (IDX) in the period 2017 to 2021. Based on the level of explanation (clarity), this research is included in associative research. Methods of analysis data in this study using descriptive statistics and multiple regression analysis. Analysis of the data obtained in this study will use computer technology, namely the Econometric Views (Eviews) program version 12. The results obtained from this study are that Liquidity Ratio and ROA have a significant effect on Firm Value and ROE has no significant effect on Firm Value. Corporate Philanthropy can moderate the relationship between Liquidity Ratio and ROA to Firm Value but does not moderate the relationship between ROE and Firm Value. It is recommended that potential investors who wish to invest in a company be more careful in choosing a company and pay more attention to the company's performance and the quality of reported earnings. . So that the investment made can get a profit (profit) later..
Keywords: Company Size; The value of the company; Profitability; Managerial ownership; Profit management

INTODUCTION

The weakening of the Jakarta Composite Index (IHSG) in session I, or at the end of session I, the JCI was closed, caused shares in the mining sector to decrease the most sharply among other sectoral indices. adjustment of 37.46 points, or 0.59 percent, to 6,352.38. JCI is fluctuating between 6,288.98 and 6,434.84. Three of the ten stock sectors saw gains, while the other seven saw declines. The industry with the largest decline, 2.83 percent, was mining (JAKMINE). In addition, the Property Index (JAKPROP) decreased by 1.3%. PT Aneka Tambang Tbk. (ANTM) shares saw the largest fall among the mining index's other component companies. Shares of ANTM decreased 6.87 percent to IDR 2,710, which resulted in a decrease in auto reject (ARB). Yesterday, the shares of Kaesang Pangarep's champion were also hit by ARB. Shares of PT Timah Tbk. (TINS) also experienced ARB after falling 6.88 percent or 150 points to IDR 2,030. Other mining stocks such as INCO fell 3.63 percent, and PTBA corrected 1.69 percent.

Meanwhile, the consumer sector (JAKCONS) strengthened the most, namely 0.86 percent . This is inextricably linked to the PT Unilever Indonesia Tbk. (UNVR) stock's soaring share price. PT Unilever Indonesia Tbk. (UNVR) increased its share price by IDR 7,825 or 4.33 percent. Shares of UNVR increased as a result of the Covid-19 vaccine distribution scheme. Reski Damayanti, Director and Corporate Secretary of Unilever Indonesia, declared that his party was prepared to support the government's immunization program in an effort to stop the corona virus epidemic. 135 stocks stalled, 343 stocks declined, and 139 stocks increased up until the first session. With a net purchase of IDR 118.59 billion by foreign investors, total transactions totaled IDR 11.45 trillion. When the JCI closed, it gained 16.42 points or 0.26 percent to a level of 6,389.83. Artha Sekuritas analyst Dennies Christoper Jordan explained that technically the JCI movement showed a dead cross on the stochastic indicator is in the overbought area. Meanwhile, the focus of investors today will be on the results of interest rate decisions and the Central Bank of China (PBoC). Artha Sekuritas estimates that the JCI will move towards support at 6,333 and 6,268 and resistance at 6,445 and 6,492.

Corporate sphilanthropy (donations) si one of the components of Corporate Social Responsibility (CSR), which is crucial because it may be used to demonstrate exemplary values and establish a company's reputation in the eyes of the public. Philanthropy includes a number of techniques, including a sustainable business commitment to act morally, promote economic growth, and improve the quality of life for the workers, local communities, and society at large. In addition, the company can form a positive image in the eyes of the public so that people believe in the performance and quality of the company's products.

THEORETICAL FRAMEWORK AND HYPOTHESIS DEVELOPMENT

Effect of *Current Ratio* (CR) on Firm Value

Sawir (2005) asserts that a low current ratio typically denotes a liquidity issue for the organization. Due to the fact that investors like to surchase shares of companies with strong levels of liquidity, a low current ratio will lower the firm value of the company in question. Because there is a chance that many company funds are not srotating, there may be a decline in productivity due to decreased activity, which will sultimately lower the company's profit, a current ratio that is too high does not necessarily mean the company is in good condition. There is no absolute provision regarding the slevel of Current Ratio of a scompany that is considered good or should be sconsidered by a company company, because it depends on the type of business, cash, flow sof sa scompany. Therefore, CSR has an effect on changes in Company Value.

H1 = *Current Ratio* (CR) has a positive effect on firm value.

Effect of *Return on Assets* (ROA) on Firm Value

According to Brigham and Houston (2006) the higher the value of ROA, the more efficient the company is in utilizing its assets to earn profits, thereby increasing the value of the company. Increasing the value of the company will be better and can attract the attention of investors to buy company shares, so that it will affect changes in the value of the company in the capital market. Therefore, ROA affects changes in Firm Value.

H2 = *Return On Assets* (ROA) has a positive effect on firm value.

Effect of *Return on Equity* (ROE) on Firm Value

Based on the t test, it is obtained that the variable Return On Equity (ROE) has no effect on stock returns. The size of the value of Return On Equit (ROE) in the company has not been able to influence the level of stock returns. In addition, the value of Return On Equity (ROE) has no effect on stock returns because there is a phenomenon of property and real estate sub-sector companies that are weakening in 2016-2018

H3 = *Return On Equity* (ROE) has a positive effect on firm value.

***Corporate Philanthropy* relationship in moderating *the Current Ratio* (CR) on Company Value.**

The ease with which a company can obtain funds on the securities market will affect the capability of business entities to settle short-term debt (liquidity). Companies can use the funds obtained from investors to pay off short-term obligations that will mature in a certain period. Indirectly, corporate philanthropy can affect the capability of business entities to settle short-term obligations because the company's access to funds is easier.

H4 = *Corporate Philanthropy* is able to moderate the effect of *the Current Ratio* (CR) on company value.

***Corporate Philanthropy* relationship in moderating *Return on Assets* (ROA) on Company Value.**

One of the elements of the company's performance is ROA so that this element cannot be separated from the market response. from the exposure that has been explained, it is found that ROA has a positive effect on firm value. Indirectly corporate philanthropy can influence (edwinsa auzan hashfi, 2020).

H5 = It is suspected that *Corporate Philanthropy* is able to moderate the effect of Return *on Assets* (ROA) on company value.

***Corporate Philanthropy* relations in moderating *Return On Equity* (ROE) to Company Value.**

One of the elements of the company's performance is ROE so that this element cannot be separated from the market response. based on the results of this study states that ROE does not have a significant effect on firm value. Indirectly corporate philanthropy cannot influence (PUTRI, 2013).

H6 = Allegedly Corporate Philanthropy Not able to moderate the effect of Return On Equity (ROE) on firm value.

CONCLUSIONS, SUGGESTIONS, AND LIMITATIONS

CONCLUSION

1. Based on this test, the Current Ratio (CR) has a significant effect, so H1 is accepted. The results of this study are evidenced by the t-statistic value for the Current Ratio variable which is 2.980173 with a probability of 0.0037 which is significant at α 5%. Because the probability value is <0.05, it can be seen that the Current Ratio has a significant effect on Y. So the results of thiss tudy show that the current ratio has a significant effect on firm value.

2. Based on this test, Return on Assets (ROA) has a significant effect, then H2 is accepted. The results of this study are evidenced by the t-statistic value for the Return on Assets variable which is 2.471158 with a probability of 0.0152 which is significant at α 5%. Because the probability value is <0.05, it can be seen that Return on Assets has a significant effect on Y. So the results of this study show that Return on Assets has a significant effect on firm value.
3. Based on this test, Return On Equity (ROE) has no significant effect, then H3 is rejected. The results of this study are evidenced by the t-statistic value for the Return On Equity variable which is 1.227502 with a probability of 0.2228 which is not significant at α 5%. Because the probability value is > 0.05, it can be seen that Return On Equity has no significant effect on Y. So the results of this study indicate that Return On Equity has no significant effect on firm value.
4. The results of the study show that the influence of the Current ratio (CR)on firm value can be moderated by Corporate Philanthropy, so H4 is accepted. The results of this study are that there is a moderating relationship between X1 and Y, because M1 is 0.0492 <0.05 So Corporate Philanthropy is able to moderate the relationship between Current ratio with firm value.
5. The results of the study indicate that the effect of Return On Assets (ROA) on firm value can be moderated by Corporate Philanthropy, so H5 is accepted. The results of this study are that there is a moderating relationship between X2 and Y, because M2 is 0.0012 <0.05, so Corporate Philanthropy is able to moderate the relationship. between Return On Assets and company value.
6. The results showed that the effect of Return On Equity (ROE) on firm value was not able to be moderated by Corporate Philanthropy, so H6 was rejected. The results of this study were that there was a moderating relationship between X3 and Y, because M1 0.6955 > 0.05 So Corporate Philanthropy was not able moderate the relationship between Return On Equity and firm value.
7. The estimation results obtained by the probability value of the F-statistic are 0.000000, significant at α 5%. That is, as a whole the independent variables X1, X2, X3 affect the dependent variable Y.

SUGGESTION

Based on the findings of the research and discussion that have been previously mentioned, the following recommendations can be made:

1 This research is limited to mining sector companies listed on the IDX for the 2017 - 2021 research period which only compiles financial and sustainability reports, so there are many other objects that can be researched. For further research, it is expected to develop research on objects with more significant samples.

2. Potential investors must consider additional factors in addition to the company's financial ratios when determining if an investment will be profitable in the future.

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THE EFFECT OF CAPITAL STRUCTURE AND COMPANY SIZE ON COMPANY VALUE IN *FOOD AND BEVERAGE COMPANIES* LISTED ON THE INDONESIA STOCK EXCHANGE IN 2019-2020

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ABSTRACT

This study aims to examine the effect of capital structure and firm size on firm value, both simultaneously and partially. The two independent variables will be tested for their influence on one dependent variable, namely firm value. This study included all elements of the population that met the criteria, namely as many as 36 companies that were observed. Observations in this study started from 2019-2020, namely in manufacturing companies in the food and beverage sub-sector. The analytical method used in this research is multiple linear analysis method and hypothesis testing. The results of this study found that capital structure and company size simultaneously have a positive effect on firm value as well as capital structure and company size partially have a positive effect on firm value.
Keywords: Firm Value, Capital Structure, Company size

INTRODUCTION

Manufacturing companies are companies that process raw goods into semi-finished goods and finished goods that have a sale value. Competition in the industry is classified as very tight, especially in this company, making each company increasingly improve its performance to achieve a goal, namely to get high profits. (Mustabsyirah, 2021)

Company size also plays an important role in increasing the quality of the company and attracting investors. With careful planning in determining the capital structure and size of the company, it is hoped that the company can increase the value of a company so that it can be superior in facing business competition. One of the company's efforts to improve and maintain company performance is to measure the capital structure and company size in influencing company value (Mustabsyirah, 2021).

At this time, there are more and more companies in the consumption sector with economic conditions that form intense competition between companies. Competition between these industries makes companies increasingly develop their performance, so that company goals can be achieved properly. Competition in the corporate world, especially in manufacturing companies in *the food and beverage sub-sector* .

The company's main goal is to increase the welfare of shareholders by increasing the value of the company. Firm value is very important because it reflects the company's performance so that it can influence investors' investment decisions. Firm value is the price potential buyers are willing to pay when the company is sold. The higher the value of the company, the greater the prosperity of the company owner. With a good company value, the company will be welcomed by potential investors, and shareholder value will increase along with an increase in company value which is characterized by a high rate of return on investment for investors. (Mustabsyirah, 2021).

The Ministry of Industry noted that the performance of the food and beverage industry during the 2015-2019 period grew by an average of 8.16% or above the average growth of the non-oil and gas processing industry of 4.69%. Amid the impact of the pandemic, throughout the fourth quarter of 2020, there was a contraction in the growth of the non-oil and gas industry by 2.52%. However, the food and beverage industry is still able to grow positively by 1.58% in 2020.

The food and beverage industry also plays an important role in contributing to exports from the non-oil and gas processing industry. In the January-December 2020 period, the total export value of the food and beverage industry reached USD 31.17 billion or contributed 23.78% to exports of the non-oil and gas processing industry of USD 131.05 billion.

LITERATURE REVIEW

Capital Structure

The capital structure is the comparison or balance of the company's long-term funding as shown by the ratio of long-term debt to equity. Foreign capital is defined in this case as both long-term and short-term debt. While own capital can be divided into retained earnings and it can also be company ownership. (Martono and Harjito, 2012)

Sources of funds can be obtained in various ways, but basically there are two sources of funds, namely funds originating from foreign sources (external companies) or commonly called foreign capital, and funds originating from within the company (internal companies). Funds originating from foreign sources can be obtained through debt *(debt financing)* and through self-purchase, namely by issuing shares *(equity financing)* .

Capital Structure Theory

Trade Off Theory

Trade Off Theory was first pioneered by Modigliani and Miller (1958). *The trade off* theory discusses the relationship between capital structure and firm value. The essence of *Trade Off Theory* in capital structure is to balance the benefits and sacrifices arising from the use of debt. Where the benefits are greater than the sacrifices made, additional debt is still permitted. Meanwhile, if the sacrifice of using debt is greater, then additional debt is not allowed. Based on this theory, companies try to maintain a targeted capital structure with the aim of maximizing market value (Umdiana et al, 2020).

In practice the use of 100% debt is difficult to find and this is opposed by the *trade off theory* . In fact, the greater the debt, the higher the burden that must be borne by the company, because of *agency costs* , bankruptcy costs, reluctance of creditors to give large debts, and so on. *Trade Off Theory* , states that the optimal capital structure is achieved when there is a balance between the benefits and sacrifices arising from the use of debt. Benefits of using debt in the form of *a tax shield* . The cost of using debt is debt interest expense, bankruptcy costs, and *agency costs* (Umdiana et al, 2020).

Signaling Theory

This theory involves two parties, namely an insider such as management who acts as the party giving the signal and an outsider such as an investor who acts as the same party who receives the signal. The basis for signaling theory is that managers and shareholders do not have the same corporate information accent or there is information asymmetry. There is certain information that only managers know, while shareholders do not know this information. Signal theory explains how managers provide signals to investors to reduce information asymmetry through financial reports. Signal theory has an important influence on optimal capital structure, so that two perspectives of managers appear, namely the company's prospects will be profitable or unfavorable. (Irawan et al 2016).

Company Size

Company size is a scale that can be calculated by the level of total assets and sales which can indicate the condition of the company where a larger company will have an advantage in the source of funds obtained to finance its investment in obtaining profits. Company size can be used to represent the company's financial characteristics. Large companies that are *well established* (high position) will find it easier to obtain capital in the capital market compared to small companies. Because that ease of access means larger companies have greater flexibility. (Indriyani, 2017)

The value of the company

Firm value is an investor's perception of a company, which is often associated with stock prices. Firm value is an important indicator of how the market assesses the company as a whole, high stock prices will make the company value also high. Investors who assess the company has good prospects in the future will tend to buy the company's shares. As a result of the high demand for shares, the stock price increases. So that increased stock prices indicate that investors provide high value to the company. A good company that has good performance and prospects, investors are definitely willing to pay more to buy their shares (Mufidha and Suryono, 2017: 1814).

The value of the company can show the state of the market for the company, the greater the value of the company, it can be shown to the public in assessing the market price of the company's stock above its book value. So that when the company's value increases, it means that the public assesses the company's performance and performance has good prospects. And the company's main goals can be achieved through increasing the prosperity of the owner or shareholders (Mufidha and Suryono, 2017: 1817).

The Relationship between Capital Structure and Firm Value

Making decisions on funding related to the capital structure must really be considered by the company. Because the determination of the capital structure will greatly affect the value of the company. It can be seen from the policy of using debt in the capital structure that it gives a signal to investors that the funding policy by the company affects the value of the company in increasing the value of a company (Abdul and Noerriawan, 2012).

Where a high firm value will lead to increased investment, by increasing investment it means that the capital structure will also increase. High capital structure and firm value can cause the use of debt in the capital structure to increase and will further affect the value of the company.

The Relationship between Firm Size and Firm Value

Firm size is closely related to firm value, which can be seen from the size of the firm. Large company values will have ease in entering the capital market because investors catch positive signals about the company, this positive response can reflect an increase in the value of a company. Increased company value can be marked by the size of the company's income and the stability of the company's debt amount. Based on the description above, the framework of this research is as follows:

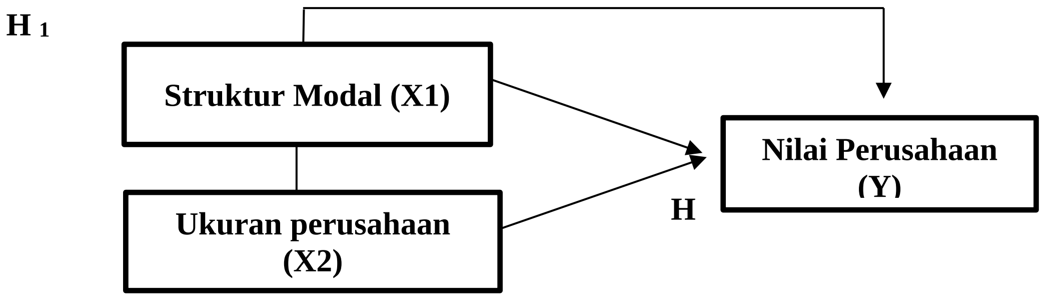

FIGURE 1 TRADE OFF THEORY

RESEARCH METHODS

Research design

Research design or research design is the plan and structure of the investigation that is arranged in such a way that the researcher can obtain answers to his research questions. The plan is an overall schematic covering the research program. This research design uses a quantitative approach. This research is in the form of associative, namely to determine the relationship between two or more variables.

Time Horizon

The time horizon in this study uses a *cross-sectional study* with the 2019-2020 period. A *cross-sectional* study is a study that collects data in only one period, be it daily, weekly, monthly or yearly data. Data collected only once in the period referred to are the financial reports of manufacturing companies listed on the Indonesia Stock Exchange.

Population and Research Sample

Population is a generalized area consisting of objects/subjects that have certain qualities and characteristics set by researchers to study and then draw conclusions (Sugiyono, 2016: 80). The number of sample companies that meet the criteria in this study can be seen in the table below

TABLE 1 : Population Determination

No	Population criteria	2019	2020
1.	Manufacturing companies in the food and beverage sub-sector listed on the Indonesia Stock Exchange during the year of observation	24	24
2.	Manufacturing companies in the food and beverage sub-sector that did not publish their financial reports continuously during 2019-2020	(10)	(10)
	Total Population	1 8	18
Total Population		36	

Source: (Indonesia Stock Exchange, 2022)

The year of observation used in this study is 2 consecutive years from 2019-2020. Based on Table 3.1 above, the companies taken were 36 companies. All data in this study was used as a population, so this study used the census method, namely research that took one population group as the overall sample to see the effect on the dependent variable.

Variable Definition and Operationalization

Independent variables (independent variables), namely variables that affect or will cause the emergence of the dependent variable which is the independent variable in this study are:

Capital structure

The capital structure is a combination of debt and capital used for the company's operations. The capital structure formula are as follows :

$$DER = \frac{Total\ Hutang}{Total\ Ekuitas}$$

Company size

Company size is a measure that can be seen from the total value of equity, sales value, and asset value. The formula for company size is as follows:
Company size = *Ln (Total Assets)*

The dependent variable (dependent variable), namely the variable that is affected or becomes a result of the independent variable . Which is the dependent variable in this study is the value of the company. The formula for corporate value is as follows:

$$PBV = \frac{Harga\ Perlembar\ Saham}{Nilai\ Buku\ Perlembar\ Saham}$$

Data analysis method

The data analysis method used in this study is multiple linear analysis and a hypothesis testing design using SPSS software (*statistics product and service solutions*) version 22.0.

RESULTS AND DISCUSSION

Descriptive Statistical Analysis

The analysis was carried out according to the hypothesis that has been formulated. The data tested, namely the capital structure and company size can be seen in table 4.1 below:

Table 4.1 Descriptive Statistical Analysis Test Results

Descriptive Statistics

	N	Minimum	Maximum	Means	std. Deviation
Firm value (Y)	36	-1.112123	-1.112123	2.6447	2.29274
Capital Structure (X1)	36	-2.127341206	1.995389807	2.359175	6.283430
Company Size (X2)	36	14.44089589	30.61556607	2.6447	2.29274
Valid N (listwise)	36				

Source: Data Processed by Researchers, 2023

Multiple Linear Analysis

Multiple linear regression analysis aims to find the effect of two or more independent variables/independent variables (X) on the dependent variable/dependent variable (Y). The results of multiple linear regression calculations with the SPSS program in this study are as follows:

Table 4.2 Multiple linear regression test results

Coefficients [a]

Model		Unstandardized Coefficients		Standardized Coefficients
		B	std. Error	Betas
1	(Constant)	-87,735	174,784	
	Capital structure (X1)	.239	.511	.078
	Company Size (X2	.139	072	.320

Source: Results of Processed Data SPSS V22, 2023

CONCLUSION

Based on the results of the tests that have been carried out on the problems that have been formulated into research hypotheses using multiple linear equations and hypothesis testing, the conclusions in this study are as follows:
Capital structure and company size simultaneously have a positive effect on company value in food and beverage companies listed on the Indonesia Stock Exchange in 2019-2020 respectively in the amount of .23.9% and .13.9%.
The capital structure has partially affected company value in food and beverage companies listed on the Indonesia Stock Exchange in 2019-2020 of .23.9%.
Company size has partially affected company value in food and beverage companies listed on the Indonesia Stock Exchange in 2019-2020 of .13.9%.

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THE INFLUENCE OF BOARD OF DIRECTORS AND AUDIT COMMITTEE CHARACTERISTICS ON CORPORATE SOCIAL RESPONSIBILITY

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ABSTRACT

This study aims to determine the effect of board of directors and audit committee characteristics on Corporate Social Responsibility. The independent variables in this study are board size, board independence, managerial ownership, CEO duality, audit committee size, audit committee independence, and audit committee financial expertise. The dependent variable used in this study is Corporate Social Responsibility (CSR). The population in this study is the mining sector companies listed on the Indonesia Stock Exchange (IDX) in 2017-2021. The sampling method used was purposive sampling and the samples selected were 10 companies that met the criteria. This research uses multiple linear regression method with SPSS v25 software. The results of this study indicate that board size, board independence, and CEO duality have no significant effect on CSR. In addition, the managerial ownership and financial expertise of the audit committee have a significant and no negative effect on CSR. Meanwhile, audit committee size and audit committee independence has a significant and positive effect on CSR.
Keywords: board size, board of directors independence, managerial ownership, CEO duality, audit committee size, audit committee independence, audit committee financial expertise, and Corporate Social Responsibility.

INTRODUCTION

Corporate Social Responsibility (CSR) is one of the company's programs in the form of accountability to overcome the problem of social inequality and environmental damage arising from its operational activities (Karmilayani and Damayanthi, 2016). According to the Government Regulation of the Republic of Indonesia Number 47 of 2012 concerning Social and Environmental Responsibility of Limited Liability Companies and Law no. 40 of 2007 Article 74 concerning Limited Liability Companies, states that companies that carry out their business activities in the field of and/or related to natural resources are required to carry out social and environmental responsibilities. Based on these regulations, companies are required to carry out CSR disclosures. However, there are still companies that do not pay attention to environmental conditions and local communities, such as PT Freeport Indonesia which is one of the largest mining companies in Indonesia carries out indiscriminate waste disposal. This has made PT Freeport Indonesia's image in the eyes of the public unfavorable (Inayati, 2017).

CSR issues have become the focus of the international community as well as accounting and management thinkers. Various financial scandals in the last decade have made investors pay more attention to the duality of the Chief Executive Officer (CEO) which could jeopardize the board's financial reporting oversight role. Given this, there is also a growing concern that managers might use social responsibility to hide their opportunistic behavior (Chu et al., 2013).

Therefore, regulatory mechanisms such as audit committees are needed to increase CSR disclosure. The audit committee as a representative of the board of directors is expected to be able to oversee financial and non-financial reports and minimize information asymmetry between management and stakeholders (Karamanou and Vafeas, 2005). An effective audit committee will affect the level of financial and non-financial disclosure, including CSR disclosure (Bedard and Coulombecourteau, 2008). Through the background that has been discussed, the authors are interested in carrying out research related to the effect of the characteristics of the board of directors and audit committee on CSR.

LITERATURE REVIEW

The theoretical basis used in this study is agency theory which explains the conflict of interest between shareholders (principal) and managers (agents). Agency theory popularized by Jensen and Meckling, is a condition that occurs in companies, where management as executors who are also known as agents and owners of capital (owners) as principals build cooperation contracts called "nexus of contracts".

Corporate Social Responsibility

Corporate Social Responsibility (CSR) was first coined by Howard Rothman Browen in Social Responsibility of the Businessman in 1953. Murphy & Ng'ombe (2009) revealed that the principles of social responsibility consist of sustainability, accountability, and transparency. Discussions about CSR are of course related to the Sustainability Report (SR) and the profit to be achieved. Sustainability reports issued by companies in addition to financial and annual reports as evidence of the implementation of responsibilities to stakeholders regarding sustainable company performance (Supriyadi et al., 2019). Compliance with sustainability reports is determined by an independent institution or organization with international standards called the Global Reporting Initiative (GRI). In this study, the indicators used in CSR are the 2016 GRI guidelines. The GRI standards consist of 77 items that reveal economic, environmental and social impacts. In this measurement each CSR item will be given a value of 1 if it is disclosed, and a value of 0 if it is not. The scores of each item are added together to obtain the overall score for each company. Calculation of the CSR Index is formulated as follows:

$$CSRI_i = \frac{\Sigma Xy_i}{n_i}$$

Information:

$CSRI_i$ = Corporate Social Responsibility Company Index i

ΣXy_i = Number of items disclosed

n_i = Number of items based on the 2016 GRI guidelines (77 items)

Board of Directors Size

According to the Financial Services Authority Regulation Number 33/POJK.04/2014, the board of directors is an organ of the issuer or public company that is authorized and responsible for the management of the issuer or public company for the benefit of the issuer or public company, in accordance with the aims and objectives of the issuer or public company and represents issuers or public companies, both inside and outside the court in accordance with the provisions of the articles of association. Board size is the number of members of the board of directors owned by a company. The size of the board of directors is measured by counting the number of members of the board of directors.

Board of Directors Independence

The independence of the board of directors is that there is no board attachment to any party. The independence of the board of directors is measured by the ratio of independent directors to total directors.

Managerial ownership

Borolla (2011) states that managerial ownership (insider ownership) is the largest share ownership by company management as measured by the percentage of the number of shares owned by management. If the number of shares owned by managers increases, managers will act more carefully because managers will also bear the consequences of the decisions they make (Maisarah, 2010). Managerial ownership is obtained from the percentage of share ownership of the board of directors and board of commissioners.

CEO duality

In the science of corporate governance, the dual role of the CEO is often referred to as CEO duality. According to Booth et al. (2002), the duality of the CEO is someone who serves two roles, namely the CEO (board of directors) and chairman of the board (board of commissioners) in the company. CEO duality is measured using the dummy variable calculation method, which is 1 if there is a CEO who has duality or multiple positions, and 0 otherwise.

Audit Committee Size

The audit committee is a committee formed by the board of commissioners as a liaison for the commissioners to carry out company oversight duties. The size of the audit committee is the total number of audit committee members in a company. The audit committee is measured by looking at the number of audit committee members.

Audit Committee Independence

The independence of the audit committee is that there is no attachment of the audit committee to any party. Audit committee independence is measured using an indicator of the percentage of independent audit committee members to the total number of audit committee members.

Financial Expertise of Members of the Audit Committee

Financial expertise of members of the audit committee, is the ability that must be possessed by members of the audit committee regarding accounting, auditing and finance. Financial expertise is measured by comparing the number of audit committee members who have financial expertise with the number of audit committee members.

RESEARCH MODEL

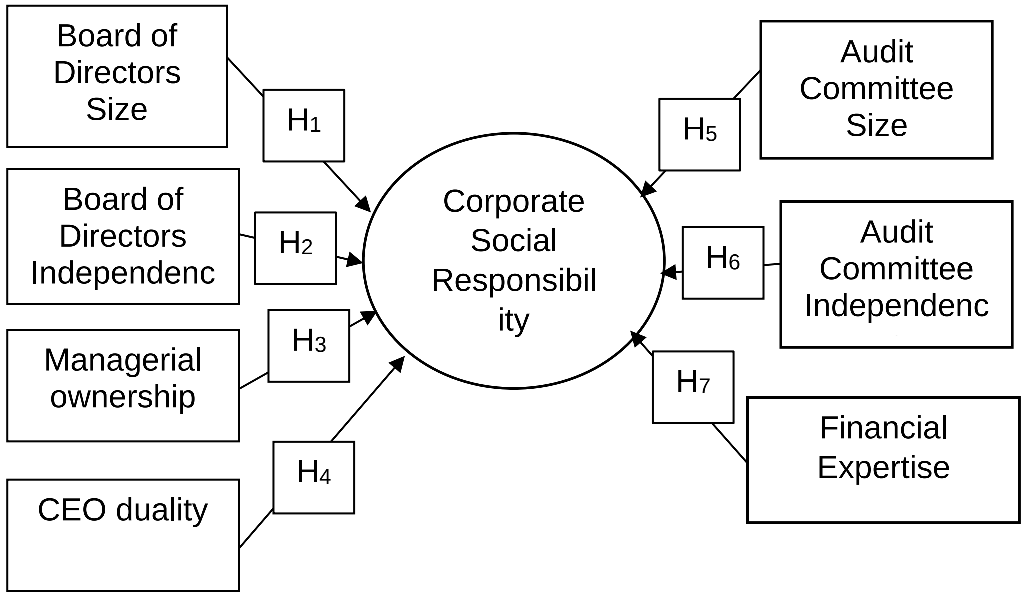

Figure 1: RESEARCH MODEL

Multiple Linear Regression Analysis

$CSR_{i,t} = \beta_0 + \beta_1 Boardsize_{i,t} + \beta_1 Independence_{i,t} + \beta_1 Managerial_{i,t} + \beta_1 Duality_{i,t} + \beta_1 ACSize_{i,t} + \beta_1 ACIND_{i,t} + \beta_1 CFE_{i,t} + \beta_2 ROA_{i,t} + \beta_3 LOSS_{i,t} + \varepsilon_{i,t}$

Information:

CSR	Corporate Social Responsibility
t	Year
β_0 - β_3	Regression coefficient
ACSize	Audit Committee Size
ACIND	Audit Committee Independence
CFE	Financial expertise of audit committee members
Quality	Audit quality
board sizes	Board size
Independence	Board independence
managerial	Managerial ownership
Duality	CEO duality
ROA	*Return on Assets*
LOSS	*Loss*
ε	*Error term*

RESULTS AND DISCUSSION

Table 1 Test Result

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	std. Error	Betas		
(Constant)	0.103	0.352		0.293	0.771
Board of Directors Size	0.016	0.030	0.180	0.535	0.596
Board of Directors Independence	-0.328	0.778	-0.141	-0.422	0.675
Managerial Ownership	-0.237	0.084	-0.393	-2,832	0.007
CEO duality	0.013	0.041	0.039	0.320	0.750
Audit Committee Size	0.088	0.026	0.410	3,371	0.002
Audit Committee Independence	0.470	0.185	0.357	2,538	0.015

Financial Expertise	-0.549	0.160	-0.502	-3,424	0.001
ROA	-0.242	0.295	-0.113	-0.820	0.417
loss	-0.087	0.060	-0.207	-1.456	0.153

Based on the results of the statistical tests in the table above, the hypotheses can be interpreted as follows:

Board of directors size has a significant and positive effect on corporate social responsibility

Testing the effect of the size of the board of directors on CSR using multiple regression analysis. The table shows that the board of directors size variable has a significance value of 0.596 > 0.05 and the regression coefficient value shows a positive sign. This proves that there is no significant influence between the size of the board of directors and CSR.

Board of directors independence has a significant and positive effect on corporate social responsibility

Testing the effect of the independence of the board of directors on CSR using multiple regression analysis. The board of directors independence variable has a significance value of 0.675 > 0.05 and the regression coefficient value shows a negative sign. This proves that the independence of the board of directors has no significant positive effect on CSR.

Managerial ownership has a significant and positive effect on corporate social responsibility

Testing the effect of managerial ownership on CSR using multiple regression analysis. The table shows that managerial ownership has a significance value of 0.007 <0.05 and the regression coefficient value shows a negative sign. This proves that managerial ownership has a significant negative effect on CSR.

CEO duality has a significant and positive effect on corporate social responsibility

Testing the influence of CEO duality on CSR using multiple regression analysis. The CEO duality variable has a significance value of 0.750 > 0.05 and the regression coefficient value shows a positive sign. This proves that CEO duality has no significant effect on CSR.

Audit committee size has a significant and positive effect on corporate social responsibility

Testing the effect of audit committee size on CSR using multiple regression analysis. The table shows the size of the audit committee has a significance value of 0.002 <0.05 and the regression coefficient value shows a positive sign. This proves that the size of the audit committee has a significant positive effect on CSR.

Audit committee independence has a significant and positive effect on corporate social responsibility

Testing the effect of audit committee independence on CSR using multiple regression analysis. The audit committee independence variable has a significance value of 0.015 > 0.05 and the regression coefficient value shows a positive sign. This proves that there is a significant positive influence between the independence of the audit committee on CSR.

Financial expertise of the audit committee has a significant and positive effect on corporate social responsibility

Testing the influence of the audit committee's financial expertise on CSR using multiple regression analysis. The audit committee financial expertise variable has a significance value of 0.001 <0.05 and the regression coefficient value shows a negative sign. This proves that the audit committee's financial expertise has a significant negative effect on CSR.

CONCLUSION

The results of testing variable board of directors size have no significant effect on *corporate social responsibility* in mining companies listed on IDX for 2017-2021.
The results of testing variable board of directors independence have no significant and positive influence on *corporate social responsibility* in mining companies listed on IDX in 2017-2021.
The results of testing variable managerial ownership have a significant and negative effect on *corporate social responsibility* in mining companies listed on IDX in 2017-2021.
The results of testing variable CEO duality have no significant effect on *corporate social responsibility* in mining companies listed on IDX in 2017-2021.
The results of testing variable audit committee size have a significant and positive influence on *corporate social responsibility* in mining companies listed on IDX in 2017-2021.
The results of testing variable audit committee independence have a significant and positive influence on *corporate social responsibility* in mining companies listed on the IDX in 2017-2021.
The results of testing variable audit committee's financial expertise have a significant and negative effect on *corporate social responsibility* in mining companies listed on IDX in 2017-2021.
The results of testing control variables, namely ROA and *loss,* have no significant and positive effect on *corporate social responsibility* in mining companies listed on IDX in 2017-2021.

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ANALYSIS OF FINANCIAL PERFORMANCE ON THE VALUE OF PHARMACEUTICAL SUB-SECTOR COMPANIES AT THE INDONESIA STOCK EXCHANGE DURING THE COVID-19 PANDEMIC

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ABSTRACT

The purpose of this study was to determine the effect of liquidity ratios, profitability, solvency and activity on the value of pharmaceutical sub-sector companies on the Indonesia Stock Exchange during the Covid 19 Pandemic. This research was conducted on pharmaceutical sub-sector companies listed on the Indonesia Stock Exchange during the period 2018 to 2022. The population in this study totaled 9 companies. Because the population was relatively small, the census method determined the entire population to be the research sample. Data analysis using multiple linear regression. The results of the study explain that profitability has no significant effect, while liquidity, solvency and activity have a significant influence on the company value of the Pharmaceutical sub-sector on the Indonesia Stock Exchange during the Covid 19 Pandemic.
Keyword: *Liquidity, Profitability, Solvency, Activity and Company Value*

INTRODUCTION

At the end of 2019, most countries around the world had to face a very deadly virus known as Covid 19. Indonesia is also one of the many countries affected by the Covid 19 pandemic which paralyzed almost all sectors of the economy. This is due to the existence of policies from the Government of Indonesia which creates Large-Scale Social Restrictions (PSBB) which aim to reduce the mobility of citizens doing activities outside the home. Lots of business actors are making adjustments such as downsizing employees to closing their businesses. The result of this produces a domino effect such as a slowdown in economic growth (recession) an increase in unemployment and poverty (Dikri et al, 2022).

Reduced income is the main impact of the Covid-19 corona virus pandemic that is felt the most by the community. The COVID-19 pandemic has not only affected public health, but has also affected economic conditions. (Rusita and Sapariyah, 2022). One of the industries that was able to survive and thrive during the Covid 19 pandemic was the pharmaceutical industry. The pharmaceutical industry in Indonesia has enormous opportunities to grow and develop, until the Covid 19 outbreak which had various impacts so as to create opportunities for the pharmaceutical industry to boost its production.

Financial performance is an evaluation of a company's assets, liabilities, equity, costs, revenues and overall profitability. Basically investors measure company performance based on the company's ability to manage its resources to generate profits. Firm value is very important for a company, because with an increase in company value it is expected to be able to attract shareholders to invest in the company.

Financial Ratios are a company's financial analysis tool in assessing a company's performance based on a comparison of financial data contained in financial report items (Brigham and Houston, 2015). This can be done by comparing the financial ratios in a period with the previous period. In addition, analysis can also be carried out by comparing the financial ratios of a company with similar companies in the same industry both from the factors of liquidity, profitability and solvency.

The results of the research gap explain that Permana and Rahyuda's research (2019) explains that liquidity affects company value and Timanan and Ratnawati's research (2021) explains that liquidity has an effect on company value. Whereas in Anggraeni and Suwitho's research (2018) it also explains that liquidity does not affect firm value, and in Komala et al (2022) research explains that liquidity does not affect firm value, the same results are also explained in Sudiani and Darmayanti's research (2016) where liquidity has no significant effect on firm value.

The results of the research gap explained in the study of Komala et al (2022) explaining that profitability has a significant effect on company value, the same results are explained in research by Anggraeni and Suwitho (2018) also explaining that profitability has an effect on company value. While Lumentut and Mangantar's research (2016) explains that profitability has no effect on firm value, the same results are also explained in Hidayat and Khotimah's (2022) research which explains that profitability has no significant effect on firm value.
The results of the research gap explained in the study of Komala et al (2022) explaining that solvency has a significant effect on firm value and research by Lumentut and Mangantar (2016) explains that solvency has an effect on firm value. While Anggraeni and Suwitho (2018) also explain that solvency has no effect on firm value, the same results are also explained in Sianipar's research (2020) where solvency has no significant effect on firm value.

The results of the research gap explained in Adita and Mawardi's research (2018) explaining that the activity ratio has a significant effect on firm value, while research by Oktaryani et al (2021) also explains that activity ratio has a significant effect on firm value. Meanwhile Sianipar (2020) explains that the activity ratio has no significant effect on company value.

This research was conducted at Pharmaceutical sub-sector companies listed on the Indonesia Stock Exchange during the Covid 19 Pandemic, totaling 9 companies using the sampling technique using the saturated sample method. This study uses secondary data with documentation data collection techniques. Data analysis using multiple linear regression.

CONTENT

To see this influence can be seen through the value of the regression equation used in the following table:

Table 1. Summary of Hypothesis Testing

Variabel	B Coefficients	t	Sig.	Result
(Constant)	-1058.444	-2.559	.014	
Likuiditas (CR)	-5.492	-3.787	.001	Hypothesis accepted
Profitabilitas (ROA)	38.563	1.753	.087	Hypothesis is not accepted
Solvabilitas (DER)	2.917	4.610	.000	Hypothesis accepted
Aktivitas (TATO)	25.339	6.946	.000	Hypothesis accepted
R Square		0,644		
Adjusted R Square		0,630		

The results of multiple linear regression calculations obtained the following equation:

The Effect of Liquidity (CR) on Firm Value (PBV) in Pharmaceutical Companies During the Covid 19 Pandemic

The results of the research that has been carried out, the tcount (-3.787) < ttable (-2.021) and the resulting significance value of 0.001 is still below 0.05, the hypothesis in this study is accepted explaining that liquidity (CR) has a negative and significant effect on company value (PBV) in pharmaceutical companies during the Covid 19 pandemic.

According to Brigham and Joel (2014), if a company experiences financial difficulties, the company begins to slow down paying bills (trade payables), bank loans and other obligations which will increase current liabilities. When the current ratio decreases, this indicates a problem with the company, so it can be interpreted that the company's liquidity ratio is in a bad condition and is likely to reduce the value of the company.

The liquidity ratio is related to the company's ability to fulfill its obligations in the short term or which must be fulfilled immediately. Company liquidity describes a company's ability to meet its short-term obligations to creditors. The high or low of this ratio will affect the interest of investors to invest their funds. The greater this ratio, the more efficient the company is in using the company's current assets to meet its current liabilities. (Anggraeni and Suwitho, 2018).

The results of this research are in line with the research of Permana and Rahyuda (2019) explaining that liquidity affects company value and research by Timanan and Ratnawati (2021) explaining that liquidity has an effect on company value. Whereas in Anggraeni and Suwitho's research (2018) it also explains that liquidity does not affect firm value, and in Komala et al (2022) research explains that liquidity does not affect firm value, the same results are also explained in Sudiani and Darmayanti's research (2016) where liquidity has no significant effect on firm value.

The Effect of Profitability (ROA) on Firm Value (PBV) in Pharmaceutical Companies During the Covid 19 Pandemic

The results of the research that has been carried out, the tcount (1.753) < ttable (2.021) and the resulting significance value of 0.087 is still above 0.05, the hypothesis in this study is rejected explaining that profitability (ROA) has a positive and insignificant effect on firm value (PBV) in pharmaceutical companies during the Covid 19 pandemic.

According to Wiagustini in Permana and Rahyuda (2019) states that profitability shows the success of a company to make a profit. Profitability is one that can affect the value of the company. The company has a profitability that is not high enough so that the company can improve its performance which results in a decrease in the level of company value. Companies that succeed in increasing profitability every year will attract the interest of many investors. Investors will trust companies that are able to generate large profits because the returns are low, so this is a negative signal for investors from the company. This situation will be used by company managers to obtain sources of capital in the form of shares. (Hidayat and Khotimah, 2022)

The research results are corroborated by the research of Lumentut and Mangantar (2016) explaining that profitability has no effect on firm value, the same results are also explained in Hidayat and Khotimah's research (2022) which explain that profitability has no significant effect on firm value. While in the study of Komala et al (2022) explaining that profitability has a significant effect on firm value, the same results are explained in the study of Anggraeni and Suwitho (2018) also explaining that profitability has an effect on firm value.

The Effect of Solvency (DER) on Firm Value (PBV) in Pharmaceutical Companies During the Covid 19 Pandemic

The results of the research that has been carried out, the value of tcount (4.619) > ttable (2.021) and the resulting significance value of 0.000 is still below 0.05, the hypothesis in this study is accepted explaining that solvency (DER) has a positive and significant effect on firm value (PBV) in pharmaceutical companies during the Covid 19 pandemic.

The solvency ratio measures how much a company uses its debt-funded activities or assets. This solvency ratio also shows the company's ability to pay its obligations, both short-term and long-term obligations if the company is liquidated or dissolved. The higher the solvency ratio, the higher the risk of loss and causing this loss can cause the company's value to decrease. If the value of the company decreases, the company's stock price also decreases. (Anggraeni and Suwitho, 2018).

The results of the research are in line with the research of Komala et al (2022) explaining that solvency has a significant effect on firm value and research by Lumentut and Mangantar (2016) explaining that solvency has a significant effect on firm value. While Anggraeni and Suwitho (2018) also explain that solvency has no effect on firm value, the same results are also explained in Sianipar's research (2020) where solvency has no significant effect on firm value.

Effect of Activity (TATO) on Company Value (PBV) in Pharmaceutical Companies During the Covid 19 Pandemic

The results of the research that has been carried out, the value of tcount (6.946) > ttable (2.021) and the resulting significance value of 0.000 is still below 0.05, the hypothesis in this study is accepted explaining that activity (TATO) has a positive and significant effect on firm value (PBV) in pharmaceutical companies during the Covid 19 pandemic.

The last ratio is the activity ratio, according to Sianipar (2020) the activity ratio is the ratio that shows how quickly current assets can be converted into cash. One of the ratios used in activity is total asset turnover (TATO) which offers managers a measure of how well a company is utilizing its assets to generate sales revenue. An increase in total asset turnover will be an indication that the company is using its assets more productively. Asset turnover shows the speed at which assets are converted or converted into sales and ultimately increases profitability so that it can have an impact on increasing company value.

The results of the research are in line with the research of Adita and Mawardi (2018) explaining that the activity ratio has a significant effect on firm value, while research by Oktaryani et al (2021) also explains that the activity ratio has a significant effect on firm value. Meanwhile Sianipar (2020) explains that the activity ratio has no significant effect on company value.

CLOSING

Based on the results of the research that has been done, the conclusions in this study are (1) liquidity (CR) has a significant effect on firm value (PBV), (2) profitability (ROA) has a positive and insignificant effect on firm value (PBV), (3) solvency (DER) has a positive and significant effect on firm value (PBV) and (4) activity (TATO) has a positive and significant effect on firm value (PBV).
The suggestions that the writer can convey based on the research results are as follows (1) The company should be able to manage each debt optimally, so that the company is not burdened with debt which can affect the company's liquidity. (2) The company is also advised to be able to manage each asset and capital to the maximum in order to obtain a profit level that is in line with expectations so that it can have an impact on increasing the value of the company. (3) Investors are expected to be able to choose good issuers as a place to invest so as to get the expected profit and (4) It is hoped that future research can develop this research by adding other variables that can affect firm value.

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THE EFFECT OF CORPORATE SOCIAL RESPONSIBILITY (CSR) DISCLOSURES ON THE FINANCIAL PERFORMANCE OF PUBLIC COMPANIES PERIOD 2018 – 2022

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ABSTRACT

The type of research used in this study is comparative causal which aims to analyze the effect of the independent variable Corporate Social Responsibility (CSR) on the dependentvariable of financial performance. The population in this study are manufacturing companiesin the Basic and Chemical industry which are listed on the Indonesia StockExchange (IDX) in 2018-2022 as many as 61 companies. The research sample was obtained using a purposive sampling method, in which only 10 manufacturing companies in the Basic Industry and Chemical Sector were consistent and reported Corporate Social Responsibility (CSR). The results of the study show that Corporate Social Responsibility (CSR) has a significant effect on financial performance.
Keywords: *Corporate Social Responsibility (CSR), Financial Performance, Return Of Equity*

INTRODUCTION

Financial performance is the ability of a company or organization to manage and utilize its financial resources effectively and efficiently, so as to achieve the set business goals. Financial performance refers to a company's ability to generate profits, control costs, manage cash flow, and fulfill secondary obligationsand social responsibility. Hery (2016: 13) financial performance is a formal effort to evaluate the efficiency and effectiveness of a company in generating profits and a certain cash position. Financial performance is neededby companies to find out and evaluate the level of success of the company based on activities implemented finances.

Good financial performance is performance that achieves business goals, generates healthy profits, and fulfills financial and social responsibilities. However, keep in mind that financial performance is only one aspect of a company's overall performance, and is not always the main indicator of the company's overall success.To measure financial performance, various financial metrics and ratios are used, such as profitability ratios, liquidity ratios, solvency ratios, and activity ratios.

Corporate Social Responsibility (CSR) is a form of cooperation between companies (not only stakeholders) who directly or indirectly interact with the company to ensure the existence and sustainability of the company's business (Widjaja & Yeremia, 2008).

Many companies today take CSR as an important part of their business strategy. They implement various initiatives and programs to fulfill their social and environmental responsibilities, such as contributing to social programs, supporting environmental sustainability, and ensuring good work standards for their employees and in their supply chain.

LITERATURE REVIEW

Stewardship Theory (Stewardship Theory)

According to Donaldson & Davis (1991) stewardship theory is a theory that describesa situation where managers are not motivated by individual goals but are more aimed at their main results for the benefit of the organization, so that this theory has a psychologicaland sociological basis that has been designed in which executives As a steward, he is motivated to act according to the wishes of the principal, besides that the steward's behaviorwill not leave the organization because the steward is trying to achieve his organizational goals.

In this study the theory of sTewardship explains that managers tend to act as stewards of the interests of shareholders and will strive to achieve optimal company performance. In this case, CSR disclosure can improve the company's financial performance, because managers are considered to pay attention to the impact of companyactivities on society and the surrounding environment.

Stakeholder Theory (Stakeholders Theory)

Stakeholder theory (Stakeholders Theory) suggests that companies are not only responsible for shareholders, but also for all parties who have an interest in the company (stakeholders). By carrying out good CSR disclosure, the company can increase trust and reputation in the eyes of stakeholders so that it can have a positive impact on the company'sfinancial performance.

In this view, stakeholders have the right to influence management in the process of exploiting all the potential driven by the company, because only with good and maximum management of all this potential the company will be able to create added value in empowering financial performance which is the direction of stakeholders in intervening. management (Belkaoui, 2003).

Financial performance

Financial performance is the achievement of company achievements in a period thatreflects the condition of the company's monetary health and can be analyzed through the financial reports presented by management. Through this analysis, the soundness level of the company will be obtained and what the company's advantages and disadvantages are,so that interested parties can use it as a reference in making decisions (Edy, 2020). The Indonesian Institute of Accountants (2016) defines financial performance as a company's financial condition during a certain period which includes the collection and use of funds asmeasured by several indicators of capital adequacy ratios, liquidity, leverage, solvency and profitability. Financial performance is a company's ability to manage and control its resources.

Financial Performance Measurement

Financial performance can be measured using financial ratios. Brigham & Houston (2010: 134) divides financial ratios into five parts, namely: liquidity ratios, asset managementratios, financial leverage, activity ratios, profitability ratios, and market valuation ratios. According to Hery (2015), there are several indicators to measure the size of profitability, namely Return on Assets (ROA), Return on Equity (ROE), Gross Profit Margin,Operating Profit Margin and Net Profit Margin. This study uses the Return On Equity (ROE)indicator. Based on what Hery (2015: 140) explained, "company management is increasinglyable to provide returns for shareholders due to increasing ROE.

Corporate Social Responsibility

Corporate Social Responsibility is a system so that corporations freely want to pay attention to the community in their business activities and interact with stockholders, not justprofit as the main goal of the corporation (Friedman, 2006).

HYPOTHESIS

Effect of Corporate Social Responsibility (CSR) disclosure on financial performance in public companies in the period 2018 - 2022

RESEARCH METHODS

The type of research used in this study is comparative causal which aims to analyze the effect of the independent variable Corporate Social Responsibility (CSR) on the dependent variable of financial performance in public companies listed on the Indonesia Stock Exchange (IDX). This research was conducted at manufacturing companies in the Basic and Chemical industrial sectors listed on the Indonesia Stock Exchange during the 2018 - 2022 observation period.

Data were obtained on the official website of PT. Indonesia Stock Exchange (www.idx.co.id) and also the research.or.id site. The population in this study are manufacturing companies in the Basic and Chemical industrial sectors which are listed on the Indonesia Stock Exchange (IDX) in 2018-2021 with a total of 61 companies. The research sample was obtained using a purposive sampling method, in which only 10 manufacturing companies in the Basic and Chemical industry sectors listed on the Indonesia Stock Exchange (IDX) met all the criteria. This research was conducted at manufacturing companies in the consumer goods industry sector listed on the Indonesia Stock Exchange in the 2018 - 2023 observation period. Data was obtained on the official website of PT. Indonesia stock exchange (www.idx.co.id) as well as the siteresearch.or.id.The population in this study are manufacturing companies in the food and beverage consumer goods industry which are listed on the Indonesia Stock Exchange (IDX) in 2022-2023 as many as 26 companies. The research sample was obtained using a purposive sampling method, in which only 12 manufacturing companies engaged in the food and beverage consumer goods industry sector listed on the Indonesia Stock Exchange (IDX) met all the criteria, so that 36 data wereused as observation data.

In determining the sample, the entire company is analyzed for the adequacy of the data. The adequacy of data is determined by:

Consumer goods industry sector companies must have been registered on the IndonesiaStock Exchange (IDX) since 2022 and are late in publishing financial reports and annualreports through the official IDX website and/or the company's official website.

The financial reports, sustainability reports and annual reports provide the required information, using rupiah units, as well as the data needed to calculate research variables are relatively available in the financial reports and annual reports of each company.

RESEARCH VARIABLE

Corporate Social Responsibility as measured by GRI – G4 and financial performance as measured by ROE. Measurement of Corporate Social Responsibility is carried out by evaluating CSR disclosure as measured using indicators from the G4 Global Reporting Initiatives (GRI) with a total of 91 CSR disclosure indicators. The assessment is carried outby comparing the number of

CSR disclosures made by the company with the number of CSR disclosures according to GRI G4.

$$\text{CSRDIj} = \frac{\sum \text{Xij}}{\text{nj}}$$

Information:

CSRI j = Corporate Social Responsibility Index company

$\sum$Xij = Total CSR disclosure by the company

Nij = Total items to be disclosed by the company (91 items)'

Financial performance is a description of the success of a company's ability to manage its resources which is analyzed through financial ratios in a certain period. Profitability is the ability of a company to earn profits in relation to sales, total assets and capital itself, so that analysis of profitability is very important for long-term investors (Said and Ali, 2016). One indicator in assessing profitability is Return On Equity (ROE). Hery (2015: 140) explains that the higher ROE means that company management is increasinglyable to provide returns for shareholders.

$$\text{ROE} = \frac{\text{Net Profit}}{\text{Total Equity}}$$

RESULTS AND DISCUSSION

Descriptive statistics are used to see a picture or description of a data seen from the average (mean), standard deviation, maximum value, and minimum value. Descriptive statistics are intended to provide an overview of the distribution and behavior of the sample data used. The mean is used to estimate the average size of the population estimated from the sample. The standard deviation is used to assess the dispersion of the average sample value. The maximum-minimum is used to see the minimum and maximum population values. Descriptive statistical analysis in this study was calculated using SPSS version 26. The results of the descriptive statistical analysis obtained are as follows:

Table 1: Results of Descriptive Statistical Analysis

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
CSR	47	,32	,87	,6200	,14174
ROE	47	-,07	,31	,0987	,08553
Valid N (listwise)	47				

Source: Processed data, 2023

With purposive sampling criteria, the amount of data that can be processed is 50 data. However, after testing the normality of the research data, the results showed that the data were not normally distributed. Therefore, the outliers method was carried out by changing the data to be normally distributed so that in future studies the results were reduced to 47 data. From the results of the descriptive statistical analysis in the table above, it can be concluded that Corporate Social Responsibility (CSR) as measured by Return On Equity (ROE) has a minimum value of -0.07 while a maximum value of 0.31 and an average value of ROE 0.0987 means that data from the ROE variable generally lies at 0.0987 and the standard deviation is 0.08553. With 91 items of Corporate Social Responsibility (CSR) disclosure and the results are measured by a ratio scale. In the table it is known that the minimum value is 0.32 and the maximum value is

0.87 with a standard deviation of 0.14174 and a mean CSR value of 0.6200. This shows that it has implemented Corporate Social Responsibility (CSR).

CLASSIC ASSUMPTION TEST

Normality test

The normality test is used with the aim of testing whether in the regression model, the confounding or residual variables have a normal distribution. In this study, the data normality test used the One Sample Kolmogorov-Smirnov Test with a significance of α = 5%. Decision making from the normality test is to see whether the probability of asymp.sig (2-tailed) > 0.05. If these conditions are met, it can be said that the data is normally distributed. Conversely, if asymp.sig < 0.05, it can be said that the data is not normally distributed. The normality test results using the Kolmogorov-Smirnov test can be seen in the following table:

Table 2. Normality test

One-Sample Kolmogorov-Smirnov Test				
		Unstandardized Residual	Unstandardized Residual	Unstandardized Residual
N		47	47	47
Normal Parameters[a,b]	Mean	,0000000	,0000000	,0000000
	Std. Deviation	,04786786	,07258591	1,59276765
Most Extreme Differences	Absolute	,064	,062	,150
	Positive	,064	,062	,150
	Negative	-,060	-,050	-,108
Kolmogorov-Smirnov Z		,439	,425	1,027
Asymp. Sig. (2-tailed)		,991	,994	,242

Source: Processed data, 2023

From the results of the Kolmogorov-Smirnovn test above, the asymp.sig (2-tailed) value for the regression model to be used is 0.991; 0.009; and 0.242. So it can be concluded that the data in this regression model has a normal distribution because the asymp.sig (2-tailed) value is greater than 0.05.

Multicollinearity Test

A good regression model should not have a correlation in the independent variables. If there is a correlation, then there is multicollinearity. Multicollinearity can also be seen by comparing tolerance values and Variance Inflation Factor (VIF). If the VIF value > 10, then multicollinearity occurs and vice versa if the VIF value < 10, then multicollinearity does not occur. The results of the multicollinearity test in this regression can be seen in the table below:

Table 1: Coefficiencies Multicollinearity Test

Model	Collinearity Statistics	
	Tolerance	VIF
(Constant) CSR	1,000	1,000

Source: Processed data, 2023

From table 4.6 above, it can be seen that the Variance Inflation Factor (VIF) value is 1,000 or less than 10 and the Tolerance value is 1,000 or more than 0.01, so it can be concluded that there are no Standard Error and Beta values for each independent variable (independent) which is less than 1.

Table 3: ROE Simple Regression

Coefficients[a]

Model	Unstandardized Coefficients		StandardizedCoefficients
	B	Std. Error	Beta
(Constant)	-,099	,049	
CSR	,319	,076	,529

Source: Processed data, 2023

Based on the analysis of the regression results from table 4.10 above, the form of the linear regression equation is as follows:

ROE = 0.099 + 0.319 (CSR)

It can be concluded that the value of the constant has a value of -0.099, meaning that if Corporate Social Responsibility (CSR) is constant or has a value of 0, then the Return On Equity (ROE) value is -0.099 and the regression coefficient value for Corporate Social Responsibility (CSR) is 0.319. These results can be concluded that if Corporate Social Responsibility (CSR) is reduced by one unit, the Return On Equity (ROE) will increase by 0.319 assuming all independent variables are constant.

Table 4:CSR t test on ROE

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	-,099	,049		-2,044	,047
CSR	,319	,076	,529	481	,000

Source: Processed data, 2023

Based on the table above Effect of Corporate Social Responsibility (CSR) Disclosure on Financial Performance Return On Equity (ROE) Based on table 4.13 above, it can be said that CSR data has a significant positive effect on ROE due to the sig value. in the table is less than 0.05, which is equal to 0.000 (0.000 <0.05). Based on the t-value above, there is a t-count of 4.181, which means that CSR has a significant positive influence on financial performance as measured using ROE because the t-table value is 1.67722. These results indicate that the company's CSR disclosure has a significant positive effect on ROE. This means that the higher the CSR disclosure, the ROE will increase. Widespread disclosure provides a positive signal to parties with an interest in the company and the company's shareholders (shareholders). then it can be stated that the hypothesis is accepted.

CONCLUSIONS AND RECOMMENDATIONS

CONCLUSION

Based on the results of the research and discussion, it can be concluded that Disclosure of Corporate Social Responsibility (CSR) as measured using Return On Assets (ROE) in manufacturing companies in the Basic and Chemical industry sectors listed on the Indonesia Stock Exchange (IDX) for the 2018-2022 period has a significant effect positive on financial performance because it has a sig value. in the table is less than 0.05, which is equal to 0.000 (0.000 <0.05).

SUGGESTION

For potential investors and investors who wish to invest their shares in a company, it is better if they first look at the condition of the company to be selected. For company management, it is expected that they will always provide financial information that is objective, relevant and can be tested for its validity so as to convince investors in making decisions to assess a company. The sample in this study is limited, that is, it only examines one sub-sector so that the research results cannot be generalized to other sub-sectors. For further research it is recommended to examine the effect of CSR disclosure on other sectors so that relevant results are obtained for that sector. This study only examines the effect of CSR disclosure on the financial performance of manufacturing companies as measured by ROE. For further research it is recommended to use other company financial performance measures such as EPS, PBV and NPM.

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THE EFFECT OF PROFITABILITY, MARKET RATIO, DIVIDEND POLICY, AND FIRM SIZE ON STOCK RETURN

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ABSTRACT

The purpose of this research is to find out the effect of profitability (ROA), market ratio (EPS), dividend policy (DPR), and firm size (Ln Total Assets) on stock returns in manufacturing companies listed on the Indonesia Stock Exchange (IDX) in 2019- 2021. Intake using purposive sampling method. and obtained 45 manufacturing companies multiplied by 3 years so that a sample of 135 was obtained. There are 17 companies that are oulier, so the sample in this study is 84. The analysis technique in this study used multiple linear analysis. Based on the results of the partial test, it was found that profitability (ROA), market ratio (EPS), and firm size have a significant effect on stock returns. While the dividend policy (DPR) has no effect and is not significant on stock returns.
Keywords*: Profitability, Market Ratio, Dividend Policy, Firm Size, Stock Return.*

INTRODUCTION

The capital market in Indonesia is currently experiencing development, which can be proven from the increasing number of companies listed on the Indonesia Stock Exchange (IDX). According to data from the Indonesia Stock Exchange (IDX) and Bank Indonesia (BI) until January 2023 there were 833 companies listed on the domestic stock exchange (Annur, 2023). The Indonesian capital market is divided into several sectors, 3 of which are the basic and chemical industry sectors, various industrial sectors, and the consumer goods industry sector. These three sectors are part of manufacturing companies. Manufacturing companies are one of the companies that can attract investors because they make a large contribution to the capital market during 2019-2021. The more companies listed on the IDX, the greater the demand for information regarding investment decision making. The right investment will pay off. There are several securities that are traded on the capital market, but the ones that are most in demand by investors are stocks.

Stocks are instruments that are in great demand by investors because they offer an attractive rate of return. One of the characteristics of stocks is high risk high return, meaning that stocks are securities that will provide profit opportunities and high risk potential (Susanty & Bastian, 2018). According to Tandelilin (2010) return is one of the factors that motivates investors to invest and also functions as a reward for investors' willingness to take risks on their investments (Fenny et al., 2021). The factors that influence the high and low stock returns in companies are financial performance, risk, dividends, interest rates, company size, supply, demand, inflation rate, and economic conditions (Susanty & Bastian, 2018). In this study, there are 3 financial ratios that are thought to affect stock returns, namely profitability (ROA), market ratio (EPS), and dividend policy (DPR). And there is one characteristic of the company that is thought to influence stock returns, namely firm size (SIZE).

Profitability ratios can be seen using the Return On Assets (ROA) ratio. The Return On Assets (ROA) ratio is a ratio that shows how much the contribution of assets is in creating a company's net profit, where net profit is generated from each rupiah fund embedded in total assets (Hery, 2015). In the research by Hermuningsih et al. (2022) shows that ROA has an effect on stock returns. Meanwhile, research by Widiarini & Dillak (2019) states that Return On Assets (ROA) has no effect on stock returns.

The market ratio can be measured using several ratios, one of which is Earning Per Share (EPS). EPS is the amount of profit that is entitled to each holder of one common share (Darminto, 2019). Gunadi & Kesuma's research (2015) stated that EPS has an effect on stock returns. Meanwhile, research conducted by Kusumawardhani, (2021) shows that changing EPS values have no effect on stock returns.

The dividend policy is proxied using the Dividend Payout Ratio (DPR). The Dividend Payout Ratio (DPR) is a ratio that measures a company's ability to pay common stock dividends from its net profit (Sirait, 2017). In Ningrum's research (2019) it states that the DPR has an effect on stock returns. Meanwhile, Kusumawardhani's research (2021) states that the DPR has no effect on stock returns.

Firm size is measured using the natural logarithm transformation of total assets. Susanty & Bastian's research (2018) states that company size affects stock returns. Meanwhile, research by Fenny et al. (2021) stated that firm size (Ln total assets) does not affect stock returns. Based on the description above and gap research related to financial ratios including ROA, EPS, and DPR as well as company characteristics, namely firm size. So that researchers are interested in researching to re-examine the effect of financial ratios and company characteristics on stock profits with the title "The Influence of Profitability, Market Ratio, Dividend Policy and Firm Size on Stock Returns (Studies on Manufacturing Companies Listed on the Indonesia Stock Exchange in 2019-2021)".

RESEARCH METHODS

This type of research is quantitative research that is associative. This study uses a quantitative approach. Meanwhile, based on the position of the variables, this research is associative. The total population in this study was 182 companies. The sampling technique used purposive sampling which obtained 45 companies that met the sample criteria so that the total sample for 3 periods was 135 samples. This analysis uses SPSS software using multiple linear analyses. The data analysis step consisted of descriptive statistics, classic assumption test, multiple linear analysis, and hypothesis test (t).

Table 1. Number of Companies According to the Criteria

No	Kriteria	Jumlah
	Manufacturing companies listed on the IDX from 2019-2021	182
	Manufacturing companies that do not publish complete financial reports for 2019-2021	(8)
	Manufacturing companies that do not distribute dividends consecutively from 2019-2021	(122)
	Manufacturing companies that experienced consecutive losses from 2019-2021	(7)
	Total research sample	45
	Total samples that meet the criteria from 2019-2021	135

Source: Processed by researchers in 2023

RESULTS AND DISCUSSION

Tabel 2. Hasil Uji Hipotesis (t)

Variabel	*T*	*Sig.*	Keterangan
(Constant)	2,709	0,008	-
Profitability (X_1)	3,627	0,001	Effect
Market Ratio (X_2)	1,397	0,166	No effect
Dividend Policy (X_3)	-0,068	0,946	No effect
Firm Size (X_4)	-2,972	0,004	Effect

Source: Processed by researchers in 2023

Effect of Profitability on Stock Returns

Based on the results of the analysis of the first hypothesis that has been done show that profitability affects stock returns. So, if profitability has which shows that profitability affects stock returns is accepted. This can happen because of the high value of net profit obtained from assets and shows that the company can use its assets effectively to generate profits. So many investors are interested in companies with high Return On Assets (ROA) values. The more demand, the stock price of the company will increase which increases stock returns.

Effect of Market Ratio on Stock Returns

Based on the results of the analysis of the second hypothesis that has been carried out, it shows that the market ratio does not affect stock returns. So, if the market ratio has decreased or increased, it does not affect the number of stock returns. So the second hypothesis which shows that the market ratio affects stock returns is rejected. This happens because investors do not pay much attention to the company's ability to generate earnings per share. In this period, many companies had varying profit levels so investors paid attention to the company's ability to generate net income at the end of the year. With a high or low Earning Per Share (EPS) value in a company, it cannot guarantee investors to invest their shares in that company. so that the possibility of investors getting capital gains is getting lower.

Effect of Dividend Policy on Stock Returns

Based on the results of the analysis of the third hypothesis that has been carried out, it shows that the dividend policy does not affect stock returns. So, if the dividend policy experiences a decrease or increase, it does not affect the amount of stock returns. So the third hypothesis which shows that dividend policy affects stock returns is rejected. The Dividend Payout Ratio (DPR) from 2019 to 2020 has decreased and from 2020 to 2021 the development of the Dividend Payout Ratio has increased. This is why the Dividend Payout Ratio (DPR) does not affect stock returns, because of this inconsistency. This could be due to the impact of the pandemic on the Dividend Payout Ratio (DPR), seen from the company's profits in 2019-2020 which decreased and caused the Dividend Payout Ratio (DPR) to decrease 2019-2020. So that investors do not look at the company paying dividends or not when making investment decisions. Because not all companies can distribute dividends even though they earn large profits because the profits earned by the company are retained to become retained earnings to maintain their business continuity during the pandemic. So, an increase or decrease in the dividend payout ratio does not affect the value of stock returns.

Effect of Firm Size on Stock Returns

Based on the results of the analysis of the fourth hypothesis that has been carried out, it shows that firm size has an effect on stock returns. So, if the firm size has decreased or increased, it will affect the number of stock returns. So that the fourth hypothesis which shows that firm size has an effect on stock returns is accepted. This shows that an increase in firm size in a company will affect stock returns. Where the size of the firm is affected by an increase in total assets, the greater the total assets, the greater the size of the company. Companies that are large in size result in a minimum return earned, because the greater the value of total assets, it illustrates that the company is still lacking in managing its assets in obtaining a profit. So that the demand for these companies falls which causes the stock price to fall and results in a decrease in stock returns distributed to shareholders.

CONCLUSION

Based on the results of data analysis, hypothesis testing, and the discussion that has been described above, it can be concluded that the profitability variable proxied using Return On AssetI (ROA) proves that it affects stock returns, the market ratio variable which is proxied using Earning Per Share (EPS) proves that has an effect on stock returns, dividend policy proxied using the Dividend Payout Ratio (DPR) proves that it has no effect on stock returns, and firm size variable proxied using Ln total assets proves that it affects stock returns.

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THE EFFECTS OF CAPITAL INTENSITY, LEVERAGE, GROWTH OPPORTUNITY AND LITIGATION RISK ON ACCOUNTING CONSERVATISM

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ABSTRACT

Conservatism is a principle used in the world of accounting, especially in terms of corporate financial reporting. Conservatism is closely related to a cautious reaction in anticipating future economic uncertainties. This study aims to test empirically and analyze the effect of capital intensity, leverage, growth opportunity and litigation risk on accounting conservatism. The sample used in this research is property and real estate sector companies listed on the Indonesia Stock Exchange (IDX) for the 2019-2021 period. The sampling technique in this study is by using purposive sampling method. The selected sample was 69 companies but from 69 companies there were outlier data so that the outlier data was eliminated and resulted in a sample of 51 companies. The hypothesis testing technique in this study is using multiple linear regression analysis. The results showed that the variable growth opportunity has an effect on accounting conservatism, while the variables of capital intensity, leverage and litigation risk have no effect on accounting conservatism. The implication of this research is that company management can be more careful when facing uncertainties in the future and be wiser in using accounting conservatism principles so as not to violate the law and deviate from accounting standards.

Keywords: *Accounting Conservatism, Capital Intensity, Leverage, Growth Opportunity, Litigation Risk*

INTRODUCTION

Conservatism is a principle or a precautionary reaction in facing future economic uncertainties. Conservatism can easily be interpreted as prudence with caution, so the trend in the report is pessimism. Accounting no longer discloses the true value precisely but tends to set report numbers that are lower than the true value (Savitri, 2016). The company's management applies the principle of conservatism carefully, especially in terms of revenue recognition, in this case, the company's profits. Because this principle recognizes the cost of losses more quickly and delays the recognition of revenue. Conservatism is very important to be implemented by companies so that users of financial reports can find out the real condition of the company. The application of accounting conservatism can reduce the possibility of managers manipulating financial statements and agency costs (Suyono, 2021).

Indonesia's economic phenomena during 2018-2019 that triggered losses for property and real estate sector companies included, among others, decreased purchasing power from the household sector, a decline in Indonesia's global competitiveness ranking according to the World Economic Forum in its latest annual report, the global competitiveness index report. 2019 from 45th to 50th position which is suspected of declining levels of health, HR capabilities, salaries, productivity (Nia Yuniarsih, 2021). The Covid-19 pandemic is one of the conditions that has caused a decline in economic conditions in Indonesia. Indonesia's economic conditions such as the composite stock price index, rupiah exchange rate, inflation rate, and interest rates will be affected by the pandemic (Juliasari et al., 2022). Another phenomenon in property and real estate sector companies was during the Covid-19 pandemic, where in recent years the company experienced a change in the business environment due to a decline in financial performance. The property sector, which is a sectoral index, has suffered a blow amid the Covid-19 pandemic. It was recorded that there was a decrease in the period of approximately 2 years, namely a decrease of 34.21%. From some of the phenomena above, it can be seen that there is economic uncertainty in the company. Economic uncertainty encourages company management to apply the principles of accounting conservatism for the progress of the company.

This research is an extension of research conducted by Suci Kurnia, et al (2021) which examines the effect of leverage, growth opportunities, company size and capital intensity on accounting conservatism. The thing that distinguishes it from previous research is that first it adds a litigation risk variable. The use of litigation risk variables is carried out to find out whether the risk level of companies that have the potential to incur more costs due to dealing with litigation or legal issues will be able to influence company managers in applying accounting conservatism. The addition of this variable refers to research conducted by Angela (2020).

Second, the companies selected in the previous study used banking secretaries, while in this study the property and real estate sectors were listed on the Indonesia Stock Exchange for the 2019-2021 period.

RESEARCH METHODS

Types of Research and Data Sources

This research is a quantitative research using secondary data sourced from external company data. External data is in the form of annual financial reports of property and real estate companies listed on the Indonesia Stock Exchange (IDX) for 2019-2021 accessed through the official website of the Indonesia Stock Exchange www.idx.co.id.

Data Analysis

Testing the hypothesis in this study uses multiple linear regression analysis, but before that the classical assumption test is carried out first. The equation of multiple linear regression analysis is as follows:

$CONACC = a + b_1IM + b_2LEV + B_3GO + B_4RL + e$

RESULTS AND DISCUSSION

Descriptive Statistics

Descriptive statistics provide an overview or description of a data seen from the minimum, maximum, mean, and standard deviation values. Descriptive statistics are intended to provide an overview of the distribution and behavior of the sample data. The results of the descriptive analysis are as follows:

Table 1. Descriptive Statistics Test

	N	Minimum	Maximum	Mean	Std. Deviation
Capital Intensity	69	0,02	1,04	0,1956	0,15551
Leverage	69	0,01	23,06	1,2900	4,51992
Growth Opportunity	69	0,00	3000,00	127,0464	383,53419

Litigation Risk	69	0,01	4,33	0,7465	0,81214
Accounting Conservatisme	69	-0,09	0,23	0,0123	0,05992

Source: Output SPSS, 2023

Classic Assumption Test

Data Normality Test

Table 2. Data Normality Test

Unstandardized Residual		Conclusion
Asymp. Sig. (2-tailed)	0,005	Not Normal Distribution

Source: Output SPSS, 2023

From the results of the Kolmogorov-Smirnov test above, the Asymp value is generated. Sig. (2-tailed) of 0.05. These results can be concluded that the residual data in this regression model is not normally distributed because the Asymp value. Sig. (2-tailed) below 0.05. The regression model is not feasible for further analysis. To normalize the data, special treatment is needed, namely by removing outlier data.

Descriptive Statistics After Outlier Elimination

Table 3. Statistical Test After Outlier Elimination

	N	Minimum	Maximum	Mean	Std. Deviation
Capital Intensity	51	0,02	0,45	0,1763	0,08130
Leverage	51	0,08	0,64	0,3525	0,14635
Growth Opportunity	51	5,77	339,23	47,3072	65,99132
Litigation Risk	51	0,09	1,74	0,6377	0,43562
Accounting Conservatism	51	-0,09	0,20	0,0100	0,05552

Source: Output SPSS, 2023.

Classical Assumptions After Outlier Elimination

Data Normality Test

Table 4. Normality Test After Outlier Elimination

Unstandardized Residual		Conclusion
Asymp. Sig. (2-tailed)	0,126	Normal Distribution

Source: Output SPSS, 2023

From the results of the Kolmogorov-Smirnov test above, the Asymp value is generated. Sig. (2-tailed) of 0.126. These results can be concluded that the residual data is normally distributed because the Asymp value. Sig. (2-tailed) above 0.05.

Autocorelation Test

Table 5. Autocorrelation Test

dL	Du	DW	4-dU	4-dL	Conclusion
1,3855	1,7218 <	1,821 <	2,2782	2,6145	There is no autocorrelation

Source: Output SPSS, 2023

The dL value is 1.3855 and the dU value is 1.7218. Then the value of dL < DW > dU is 1.3855 < 1.821 > 1.7218 concluding that this research variable is free from autocorrelation.

Multicollinearity Test

Table 6. Multicollinearity Test

Variabel	Tolerance	VIF	Kesimpulan
Capital Intensity	0,758	1,319	There is no multicollinearity
Leverage	0,107	9,341	There is no multicollinearity
Growth Opportunity	0,775	1,290	There is no multicollinearity
Litigation Risk	0,106	9,416	There is no multicollinearity

Source: Output SPSS, 2023

From the results of the multicollinearity test analysis above, a tolerance value of > 0.1 and a VIF value < 10 is produced, namely 1,319 for the capital intensity variable, 9,341 for the leverage variable, 1,290 for the growth opportunity variable and 9,416 for the litigation risk variable. So it can be concluded that there are no symptoms of multicollinearity or no correlation between the independent variables in the regression model of this study.

Heteroscedasticity Test

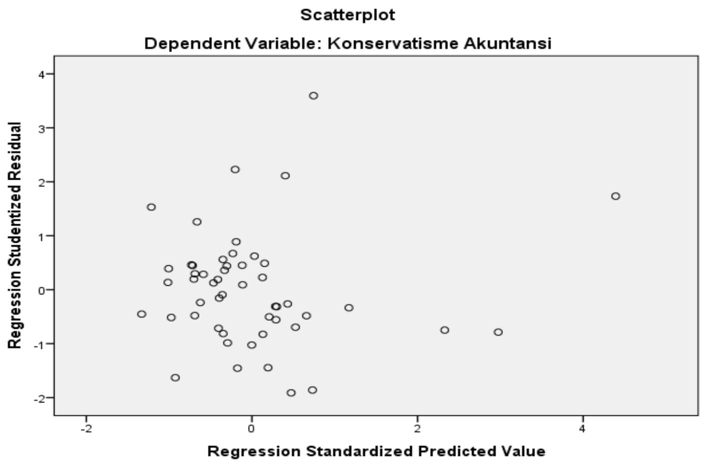

Figure 1. Heteroscedasticity Test Results

From the results of the heteroscedasticity test above, the scatterplot graph shows that the dots spread randomly and are scattered above and below the number 0 on the Y axis. These results can be concluded that there are no symptoms of heteroscedasticity in the regression model and can be used for further analysis.

Multiple Linear Regression Analysis

Table 7. Multiple Linear Regression Analysis

Variabel	*Unstandardized Coefficients*	
	B	Std. Error
(Constant)	-0,026	0,026
Capital Intensity	0,110	0,065
Leverage	0,060	0,127
Growth Opportunity	0,000	0,000
Litigation Risk	-0,030	0,043

Source: Output SPSS, 2023

From table 7, above the regression model is as follows:

CONACC = -0,026 + 0,110IM + 0,060LEV + 0,000GO – 0,030RL + e

T test

Table 8. Test Results of t

Variabel	*Unstandardized Coefficients*	
	B	Std. Error
(Constant)	-0,026	0,026
Capital Intensity	0,110	0,065
Leverage	0,060	0,1127
Growth Opportunity	0,000	0,000
Litigation Risk	-0,030	0,043

Source: Output SPSS, 2023

F Test

Table 9. F Test Results

Model	F	Sig	Conclusion
1	5,078	0,002	Influential

Source: Output SPSS, 2023

From the results of the table above, it can be seen that the significance value is 0.002. It can be concluded that the significance value of 0.002 is equal to 0.2% so that the independent factors simultaneously affect the dependent variable.

Coefficient of Determination

Table 10. Determination Coefficient Results

Model	*R Square*	*Adjusted R Square*
1	0,278	0,215

Source: Output SPSS, 2023

Based on the results described in table 10, it shows that the value of R Square (R2) is 0.278 which explains that the independent variables in this study can only explain 27.8% of the independent variables. This shows that the model has a relatively low ability to explain the dependent variable, while the remaining 72.2% is explained by other variables outside of this study, such as company size, financial distress, CEO gender, institutional ownership.

DISCUSSION

Research Overview

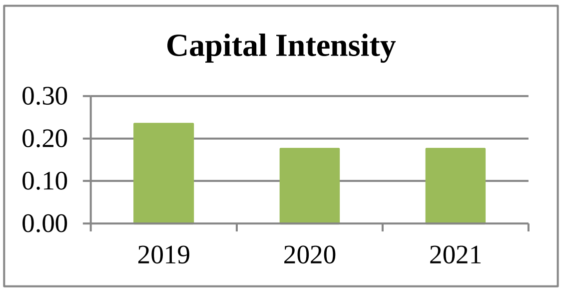

Figure 2. Overview of Capital Intensity for the 2019-2021 Period

Source: The data is processed by researchers, 2023.

Figure 2. illustrates a significant decline from 2019 to 2020. The decline was at 0.2350 and then fell to 0.1761 or equal to 5.89%. In the following year, 2021, it also experienced a decline which was not too far from 2020, which was 0.0005 or equal to 0.05%. This decline occurred due to the Covid-19 outbreak which affected the economic conditions of the community, causing public interest

or purchasing power for products from property and real estate companies to decline from 2019-2021.

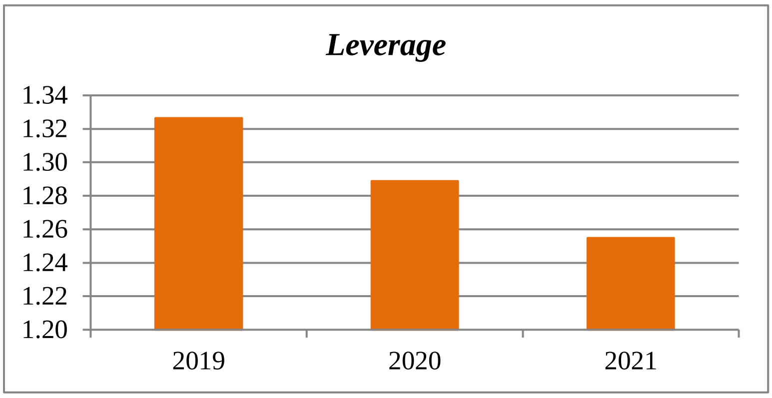

Figure 3. Overview of Leverage for the 2019-2021 Period
Source: The data is processed by researchers, 2023.

Figure 3. illustrates a decline from 2019 to 2020. The decline was at 1.3264 and then fell to 1.2887 or equal to 3.77%. In the following year, 2021, it also experienced a decrease in value which was almost the same as from 2019 to 2020, namely 0.0339 or 3.39%. This decline also occurred due to declining sales from 2019-2021 so that the company reduced its debt level in anticipation of the company facing the risk of default on its debts.

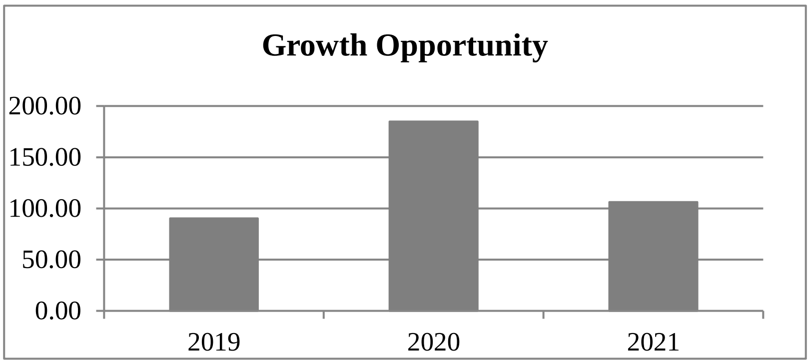

Figure 4. Overview of Growth Opportunity for the 2019-2021 Period
Source: The data is processed by researchers, 2023.

Figure 4. illustrates an increase in growth opportunity for property and real estate companies from 2019 to 2020. The increase that occurred in 2019 to 2020 was 9.5% and then decreased by 7.8% in 2021. This condition of instability happened because of the covid19 case. From 2019 to 2020 the economic conditions are still stable, but since the outbreak of the covid19 that attacked Indonesia starting in early 2020 this has resulted in economic conditions also declining and affecting the company's growth opportunities. Figure 3 illustrates an increase in growth opportunities in property and real estate companies from from 2019 to 2020 The increase that occurred in 2019 to 2020 was 9.5% and then decreased by 7.8% in 2021. This condition of instability occurred due to the co-19 case. From 2019 to 2020, economic conditions are still stable, but since the outbreak of the Covid19 that attacked Indonesia starting in early 2020, this has resulted in economic conditions also declining and affecting the company's growth opportunities.

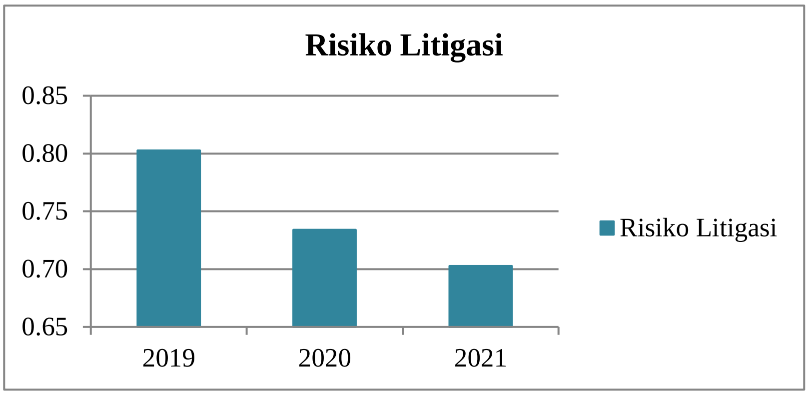

Figure 5. Overview of Risiko Litigasi for the 2019-2021 Period
Source: The data is processed by researchers, 2023.

Figure 5. illustrates that there is a decrease in litigation risk in property and real estate companies from 2019 to 2020. The decline that occurred was in 2019 to 2020, namely from a value of 0.830 to 0.73 or decreased by 7% then decreased again by 3 % in 2021. The level of litigation risk has decreased from 2019-2021, which is due to the company minimizing the risk due to the company's economic conditions declining due to the covid19 outbreak.

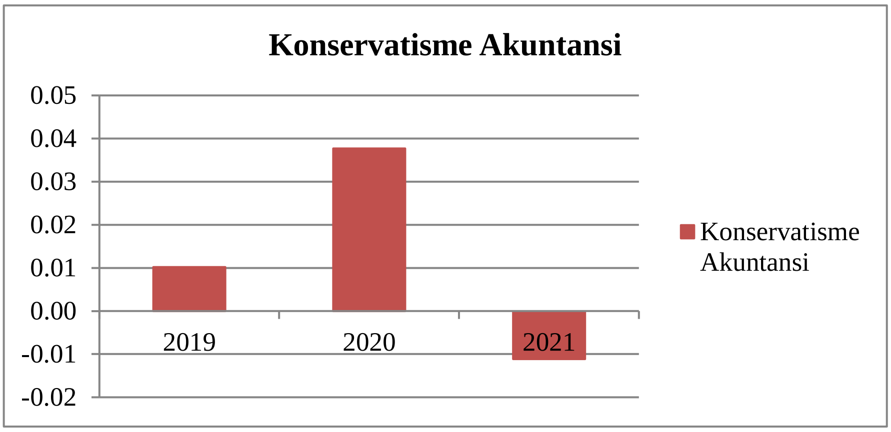

Figure 6. Overview of Accounting Conservatism for the 2019-2021 Period
Source: The data is processed by researchers, 2023.

Figure 6. illustrates that the level of accounting conservatism has increased from 2019 to 2020. Then it has decreased from 2020 to 2021, from a value of 0.04 to -0.01.

Effect of Capital Intensity on Accounting Conservatism

The results of this study state that capital intensity has no effect on accounting conservatism. In agency theory, capital intensity is included in indicators that can be used to review a company's political costs. Companies that have a lot of capital are defined as having higher political costs and management will reduce profits or carry out conservative accounting on financial statements. The higher the company's capital intensity, the lower the accounting conservatism applied by the company, this research contradicts this statement by proving that the capital intensity for the 2019-2021 period has decreased which should affect the level of accounting conservatism, namely if capital intensity has decreased, then the level of accounting conservatism will be applied will be high and will be more alert. However, the value of accounting conservatism proves that in fact the level of accounting conservatism studied from 2019-2021 did not increase continuously, but in 2020 towards 2021 it has decreased. From the general description above, it can be concluded that low or high capital intensity will not affect accounting conservatism. The same results were shown by research from Kurniawan (2022) that capital intensity has no effect on accounting conservatism. This means that it can be concluded that companies with high or low capital intensity have no effect on the application of the principle of accounting conservatism.

Effect of Leverage on Accounting Conservatism

The results of this study state that leverage has no effect on accounting conservatism. In agency theory, companies that have high levels of debt will be more vigilant in reporting the condition of their financial statements by submitting financial statement information that says that the profits earned by companies are lower, which can help companies prevent conflicts between management and shareholders because managers I have tried to convey information with caution. However, this study produces evidence that high or low levels of debt have no effect on accounting conservatism. This means that the level of corporate debt does not guarantee the company to apply prudential reactions in making decisions. This is evidenced in the average leverage value for the 2019-2021 period where the company's debt level has decreased while accounting conservatism illustrates that from 2019-2021 it has not decreased consistently. From this general description it can be said that this leverage has no effect on accounting conservatism. The results of this study are the same as the research conducted by Kurniawan (2019) which concluded that leverage has no effect on accounting conservatism, which means that companies with high or low debt levels will not affect the application of accounting conservatism.

The Effect of Growth Opportunity on Accounting Conservatism

The results of this study state that growth opportunity influences accounting conservatism. In agency theory there is a difference between the principal and the agent. The principal wants the profit to appear insignificant to avoid too large a tax, while the agent wants the profit to appear large so that the manager's performance looks good. The agency theory illustrates that there is a negative relationship between growth opportunity and accounting conservatism. The agent (manager) wants the profit to look big so that the performance looks good, therefore the manager does not apply the principle of conservatism. However, the results of this study challenge this theory because it concludes that growth opportunity has an effect on accounting conservatism. This is evidenced by the general description of growth opportunities and the general description of accounting conservatism from 2019-2021 which illustrates the influence of the two, namely if the higher the growth opportunity, the higher the application of accounting conservatism, and vice versa. The results of this study are supported by research conducted by Yusfira (2022) which concluded that growth opportunity has a significant positive effect on accounting conservatism.

Effect of Litigation Risk on Accounting Conservatism

The results of this study state that litigation risk has no effect on accounting conservatism. Litigation risk is related to the agency theory where the potential for litigation risk originates from the company itself, namely due to the non-fulfillment of the interests of investors and creditors. Litigation demands may arise from creditors, investors or other parties with an interest in the company. For companies, efforts to avoid lawsuits and threats of litigation encourage managers to disclose information that tends to lead to: immediate disclosure of bad news in financial reports, delaying good news, choosing accounting policies that tend to be conservative. However, the research concludes that litigation risk has no effect on accounting conservatism. This conclusion is proven that the average value of the litigation risk variable and the average of the accounting conservatism variables have no relationship. Where it should be if the litigation risk is high then the level of application of accounting conservatism will be low. The figure illustrates that litigation risk has decreased from 2019-2021, while accounting conservatism has not consistently increased. So there is no relationship between litigation risk and the level of accounting conservatism. This research is supported by research from Nicholas (2022) who concludes that litigation risk has no effect on accounting conservatism and Maria (2018) who concludes that company risk has no effect on accounting conservatism.

CONCLUSION

Based on the results of the data analysis that has been done, the following conclusions can be drawn:

1. Capital intensity is proxied by the comparison between sales value and total company assets indicating that capital intensity has no significant effect on accounting conservatism.
2. Leverage proxied by the Debt to Asset Ratio (DAR) value shows that leverage has no significant effect on accounting conservatism.
3. Growth opportunity proxied by the value of Price Earning Ratio (PER) shows that growth opportunity has a significant effect on accounting conservatism.
4. Litigation Risk proxied by the Debt to Equity Ratio (DER) shows that litigation risk has no effect on accounting conservatism.

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THE EFFECT OF CORPORATE SOCIAL RESPONSIBILITY AND DIVIDEND POLICY ON FIRM VALUE

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ABSTRACT

Firm value refers to the quantity of money or value attributable to a firm in a financial context. This value reflects an estimation of how valuable or meaningful the firm is from a market or investor standpoint. There are several factors that can affect the value of the firm, including corporate social responsibility and dividend policy. Disclosure of corporate social responsibility by the company will result in high company value. This is because shareholders consider that the firm has concern for the community, triggering investors to invest in the firm. Furthermore, dividends paid to shareholders are considered to increase the value of the firm, because it demonstrates the success and positive achievements that have been achieved by the firm. The purpose of this study is intended to obtain a test of the effect of corporate social responsibility and dividend policy on company value. The objects used in this analysis are banking companies from 2017 to 2021 on the Indonesia Stock Exchange. Research samples were obtained using purposive sampling techniques based on predetermined criteria. Hypothesis testing is conducted using multiple linear regression analysis. The results of this study indicate that partially, corporate social responsibility and dividend policy have a negative and significant effect on company value. Furthermore, simultaneously corporate social responsibility and dividend policies have a negative and significant effect on company value.
Keywords: *corporate social responsibility, dividend policy, company value*

INTRODUCTION

Competition in the world of business is increasingly tight, as a result of the rapid growth of the world economy. This is why many companies use different tactics to avoid pailit. The tactic is to increase the value of the company. Increase the value of the company is a tactic that the company can implement. The value of a company can be defined as the shareholder's equity or circulating market value. (Sartika, 2018). The value of the company is also considered to be the success achieved by the company that can be seen from the investor's point of view.

The value of the company is measured from the successful payment of the dividend by the company. The price of the stock is influenced by the size of the dividend. If the rate of dividend is high, it makes the value of the company high because the price of the stock is getting more expensive. On the contrary, when the payment of the currency is low, it will make the price of the stock low. The company's value is also referred to as the market value. Investors will benefit if the stock price rises (Hasnawati, 2005). Indicators in calculating the value of the company are:

$$PBV = \frac{Price\ per\ Share}{Book\ Value\ per\ Share}$$

PBV is the level of value obtained from the financial market for management as well as the company as a sign of the continuous development of the business. (Brigham and Houston, 2018). It is obtained through the calculation of the market price compared to the value of the stock book.

One factor that can influence the value of a company is corporate social responsibility. Corporate Social Responsibility is a way that companies use to create the image and good name of the company in society. Corporate Social Responsibility is regulated by Law No. 40 of 2007 on the obligation of every company to deliver CSR. The responsibility of the company is its responsibility to society.Corporate Social Responsibility is a form of the company's actions in building an image and good name that can be measured using the formula:

$$CSRDIj = \frac{\sum \text{Xij}}{nj}$$

According to Muzakki (2015) stated:

CSRDIj = Corporate Social Responsibility Disclosure Index

∑Xij = Dummy variable (Value 1 when item i is revealed; Value 0 when element i is not disclosed)

Nj = Number of items for company j, nj ≤ 91 items

Investor confidence in investing capital is influenced by dividend policy (Susila and Prena, 2019). Investors consider dividend sharing important, because this division can describe business success, financial health, as well as make the level of stability of the company's stocks awake. (Martono and Harjito, 2011). The dividend policy can be known through the Dividend Payout Ratio (DPR) formula. (Nurhayati, 2013).

$$Dividend\ Payout\ Ratio\ (DPR) = \frac{Dividend\ per\ Share}{Earning\ per\ Share}$$

Theoretical Framework

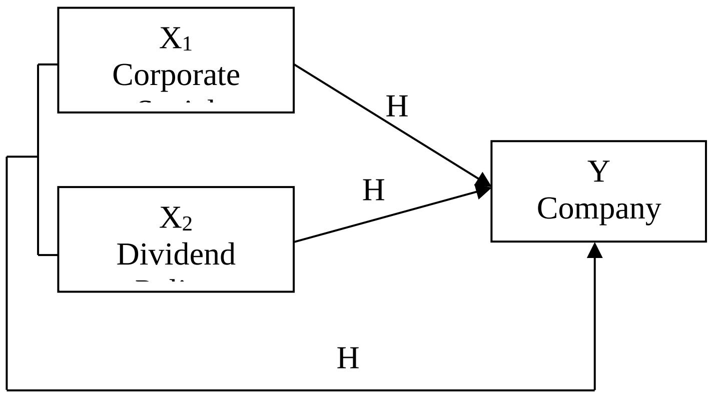

Figure 1: Theoretical Framework

The effect of Corporate Social Responsibility on Firm Value

According to the signal theory used by the researchers, if the investor gets a good signal then the investor is most likely to be interested in implanting its module that will create a high value of the company. Through the practice of Corporate Social Responsibility that runs properly, investors will look well so that the value of the company will be high (Nurlela and Islahuddin, 2008).

Based on the above explanation, the researchers suspect:

H_1: Corporate Social Responsibility has a significant positive influence on firm's value

The Effect of Dividend Policy on Firm Value

According to the theory of signals, there is empirical evidence that when the number of dividends shared increases, the effect of it will raise the price of the stock. On the contrary, when the amount of dividend distributed decreases the impact that appears is the price of the stock becoming small. This can be seen as the fact that shareholders tend to prefer dividends over capital gains.

Based on the above explanation, the researchers suspect:

H_2 : Dividend policy has a significant positive influence on firm's value

The Effect of Corporate Social Responsibility and Dividend Policy on Firm Value

Disclosure of CSR (Corporate Social Responsibility), the evaluation of the market will increase, which is reflected in rising stock prices. The high price of these stocks will be an increase in the value of the company. Then in the company, management will play a role in taking a dividend policy where management will decide whether to channel the profits obtained in the form of dividend to shareholders at the end of the year or to maintain them in the future for capital addition in order to raise investment funds.

Based on the above explanation, the researchers suspect:

H_3 : Corporate Social Responsibility and dividend policies simultaneously have a positive impact on the firm value.

RESULTS AND DISCUSSION

Classic Assumption Test

Test	Result	Conclusion
Test of Normality	Sig : 0,057 > 0,05	Normally
Multicollinearity Test	Tolerance 0,999 & VIP 1,001	No multicollinearity between independent variable

Table 1:**Test of Normality**

Kolmogorov-Smirnov level is 0.146 and the degree of significance is a total of 0.057, meaning a degree of significant > 0.05 so that the data is spread normally.

Results of Normality Test

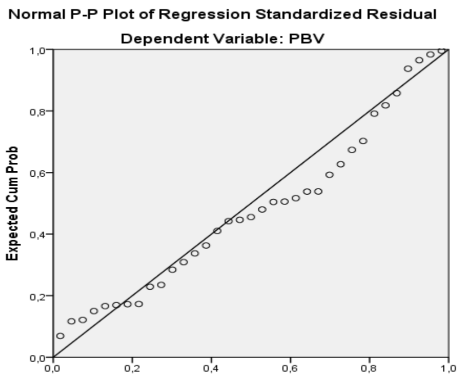

Figure 2: Result of Normality Test

In addition, normality can also be analyzed through graph analysis using Normal P-Plot Regression. From Figure 2, it is seen that the diagonal line direction means the data has a normal distribution followed by the data spread.

1. The Multicollinearity Test
   Variables Corporate Social Responsibility (CSR) and dividend policy (DPR), having an acceptable value higher than 0.1. It can also be seen that all free variables have VIF values less than 10. So it can be said that there is no multicollinearity between free variables embedded in the regression mode.

DATA ANALYSIS AND HYPOTHESIS TESTING

The regression model can be made into:

PBV = -0,405 – 1,353 CSR – 0,447 DPR

Table 2: Test F

Test	Result	Conclusion
Test of Significance (F)	Sig : 0,018 < 0,05	
Test of Significance Individual (F)	CSR Sig : 0,035 B : -1,353	Negative and significant
	DPR Sig : 0,039 B : -0,447	Negative and significant
Coefficient of Determination (R^2)	0,222	

2. Test of Significance F (Test F)
   Total of F 4,558 is presented at a level of significance of 0.018, which means < 0.05 describes the accepted F test model and describes that the entire free variable is Corporate Social Responsibility and the dividend policy has a significant impact on the company's value.
3. Test of Significance Individual (Test T)
   Corporate Social Responsibility has a negative and significant impact on the value of the company. Dividend policy has a negative and significant impact on the value of the company.
4. Coefficient of determination (R2)
   Total R2 in this study was 0.222 or 22.2%, which means the value of the company gained the influence of the free variable that is Corporate Social Responsibility and dividend policy, with the remaining 77.8% being influenced by the variable in addition to two free variables in the study.

DISCUSSION

Effect of Corporate Social Responsibility on Firm Value

The result of the study showed the variable t value of the CSR of -1,353 above the significance value of 0,035 < 0,05 and the direction of the negative coefficient. The findings of the researchers are consistent with the signalling theory that states that companies should communicate information on financial and non-financial aspects to investors as a signal of accountability of the state of financial, social and environmental performance.

Effect of Dividend Policy on Firm Value

The results of the study showed the variable t value of the dividend policy of -2,148 above the significance value of 0,039 < 0,05 and the direction of the negative coefficient. This explains that investors who receive large or small amounts of dividends do not depend on how high or low the company's value is. This is because shareholders simply want to make a short-term profit through capital gain. According to Kusumastuti (2013) said that investors think about small dividend revenues today is not more profitable when compared to capital gains in the future.

Effect of Corporate Social Responsibility and Dividend Policy on Firm Value

The significance value of the test result is 0.018 < 0.05 so that it shows a significant influence between free variables on the company's value simultaneously. If seen from the test value coefficient determination independent variables of 22.2% of its impact on the value of the company.

CONCLUSIONS

Based on the discussion, the conclusion in this study is that Corporate Social Responsibility has a negative and significant impact on the value of the company. Dividend policy has a negative and significant impact on the value of the company. Corporate Social Responsibility and dividend policies have a negative and significant impact on the value of the company.

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BEHAVIORAL FINANCE IN INVESTMENT DECISION MAKING

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ABSTRACT

The decision to invest is one of the important factors in maintaining the existence of a business. Therefore, investments made by investors must be based on rational decisions, but unfortunately this is often not done, investors often make irrational investment decisions. In the last few decades, many studies on behavioral finance have shown that investors are irrational in making investment decisions. Investment decisions are no longer based solely on economic factors but have entered into social and emotional biases, giving rise to various new risks faced by investors.
Keywords : *Behavioral finance, decision making, rational, irrational.*

INTRODUCTION

Investment is a commitment to a number of funds or other resources that investors make at present to obtain future profits by considering the risks that will be faced. The level of return and risk faced will always be close to one another, even the relationship will always be in the same direction. The higher the desired rate of return, the higher the risk that will accompany it. An investor will always want a large profit with a low level of risk. Therefore investors will try to reduce the level of risk that is likely to arise from the investment made. Basically, investors' decisions in investing can be influenced by market behavior of investors themselves, both rationally and irrationally, which is often referred to as behavior finance.

Olsen (1998), *Behavioral Finance does not try to define "rational" behaviour or label decision making as biased or faulty; it seeks to understand and predict systematic financial market implications of psychological process.* The goal of behavioral finance is to understand and predict the systematic implications of financial markets from a psychological perspective. However, Olsen emphasizes that so far there is no integrated behavioral finance theory, and so far what has been found in the literature is limited to identifying the attributes of decision making in investing in the market.

Litner (1998) said behavioral finance is a science that studies how humans respond and interact with existing information in an effort to make decisions that can optimize the level of return by taking into account the risks inherent in it. Ricciardi (2000) explained that behavioral finance is a science which includes multidisciplinary interactions and continues to integrate with one another. Behavioral finance grows and develops from the ideas of economic behavior that involve various dimensions in human beings that underlie the emergence of decisions to act on something. As shown in the following picture:

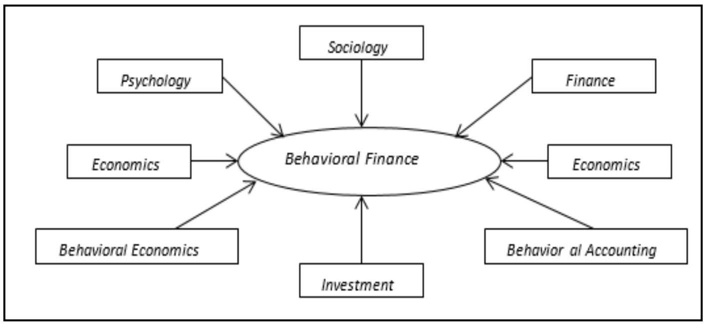

Figure 1. The Concept Of Behavioral Finance
Sumber : Ricciardi, 2000.

Based on the picture above, it can be concluded that the Behavioral Finance approach carries the idea that the uncertainty, complexity, and uncertainty of financial markets can trigger emotions and various cognitive biases in investors. These biases can affect investors' thoughts and actions, leading to investment decisions. Figure 1 shows that Behavioral finance is not only influenced by economic factors alone, but also influenced by various other factors, namely financial, psychological and sociological factors.

When Daniel Kahneman was named the winner of the Nobel Prize in Economics in 2022, not a few people were astonished and questioned why people with a background in psychology won the Nobel Prize in Economics. It turned out that the answer was Kahneman's findings explaining that in making a decision, humans are not rational creatures. Ancok (2007) explained that there were several irrational aspects of investors based on the results of research at the time of the capital market crash in the USA, out of 113 people who were asked, only 3 people gave reasons for selling shares due to economic factors, the rest sold shares because they were afraid of falling prices, greed, there was also a reason to panic. The explanation above shows that behavioral finance is important in the decision-making process because sometimes humans take actions not only rationally but also irrationally. This irrational nature is inherent and grows in humans and is sometimes inconsistent. Therefore, it needs to be balanced with rational thoughts so that investors in making a decision are not rash and can harm themselves.

DISCUSSION

An investment decision is a policy taken to invest in one or more assets to gain future profits or for how one allocates funds in the form of investments that will generate future profits. Behavioral finance is also a person's behavior related to financial applications or practices. In behavioral finance, the involvement of traits, emotions, and preferences is inherent in humans as social beings to decide an action. Behavioral finance is built from various assumptions and ideas about behavioral economics.

Behavioral finance is related to the psychological factors of investors in making investment decisions, such as fear and anxiety because these decisions must be taken precisely and quickly because if you make a wrong decision, you will lose the opportunity to obtain the expected profit. Many investors are not wise in making decisions, resulting in losses for themselves. The psychological factor of an investor in making investment decisions causes the investor to take actions that are irrational and unpredictable, so that the emergence of an investment decision is based on emotions, traits, and knowledge that give rise to self-control and become overly confident.

Thaler (1994) states that there are six behavioral finance assumptions in making investment decisions, namely:

1. Individuals will minimize the expectation of regret, this is in accordance with Markowitz's statement which states do not invest in one basket, but divide it into several baskets, so that it will minimize the occurrence of regrets in the future.
2. Behavioral finance is a positive theory that tries to describe what has happened (ex-post).
3. Investors are actually loss averse, this is in accordance with the prospect theory by Kahneman & Tversky which states that investors will be risk averse if they are profitable, but on the contrary investors tend to become risk takers if they lose.
4. Investor predictions are often biased because they are unable to properly process new information.
5. Behavioral finance says that investors' decision making is often based on naive or normal expectations, in other words, investors are trying to get a satisfactory return.
6. Behavioral finance assumes that investors make decisions based on emotion, social, and psychology.

From several studies that have been conducted, it shows that behavioral finance is often the talk of investors in making investment decisions. Kamesaka et al (2003) examined investment patterns and investor performance in Japan. This study uses weekly data that comes to Japan with a sample of foreign investors, individual investors and several institutional investors.

The results of the study are as follows: “Securities firms, banks, and foreign investors perform well over the sample period. Individual investors perform poorly. We also find that foreign investor trading is associated with positive feedback market timing and that this trading earns high returns. Alternatively, individual investors use positive feedback trading in their market timing but earn low returns. Consequently, we document evidence consistent with information-based models (foreign investors) and behavioralbased models (individual investors). It is a particularly new and interesting finding that evidence of both information-based trading and behavioral-based trading occurs in the same market.”

Matfield dkk (2008) conduct research on the types of investors and investments. This research is focused on the big five personality classifications namely : neuroticism, extraversion, openness to experience, agreeableness, dan conscientiousness.

The research results are as follows: “Our results indicate that individuals who are more extraverted intend to engage in short-term investing, while those who are higherin neuroticism and/or risk aversion avoid this activity. Risk adverse individuals also do not engage inlongterm investing. Individuals who are more open to experience are inclined to engage in long-term investing; however, openness did not predict short-term investing.”

Thaversky dan Kahneman (1974) Thaversky dan Kahneman (1974) revealed that there are three factors in human behavior that contradict the assumptions underlying classical economic models in decision making. This phenomenon is referred to as "cognitive illusions", because it is related to perceptions that can often lead to errors, the first is risk attitudes, mental accounting, and overconfidence.

McLachlan dan Gardner (2004) conducting research on comparisons between conventional and socially responsible investors. The research results are as follows: “Results indicated some important differences between socially responsible and conventional investors in their beliefs of the importance of ethical issues, their investment decision-making style, and their perceptions of moral intensity. These results support the notion that socially responsible investors differ in critical ways to conventional investors, and are discussed in terms of theoretical and practical implications.”

Sitkin & Pablo (1992) states that risk perception and risk propensity influence individual investment decision-making behavior in the face of uncertainty. Decision making is very risky, this is reflected in the construction of individual investor portfolios. That is, the perception of risk affects behavior, expected return, and asset allocation simultaneously. It can be concluded that there are two important measurements of risk from a behavioral perspective, namely risk perception and risk propensity.

CONCLUSION

Based on the explanation above, it can be concluded that Behavioral finance is a science which until now continues to be the subject of discussion for investors and has been recognized by investors. Based on the results of research that has been conducted, it shows that behavioral finance is very important in influencing the decision-making process of investors in investing.

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THE INFLUENCE OF DIGITIZATION OF INFORMATION, LIQUIDITY, AND FIRM SIZE ON FIRM VALUE

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ABSTRACT

The application of digitization of information allows the transfer of company information to external parties, including stakeholders, to be faster, more centralized, and able to reach a wider variety of parties. It can also reduce information asymmetry and agency conflict. The purpose of this study is to obtain empirical evidence regarding the factors that influence firm value, including the digitization of information. Besides analyzing the non-financial data proxies, this study also analyzes the financial data proxies, which are liquidity and firm size, to analyze their effect on firm value. Using multiple regression analysis, the study was conducted on consumer-cyclical companies listed on the Indonesian Stock Exchange. The data used was secondary data collected in 2022, obtained from the company's financial statement and the website of each company. Based on research, it is known that digitization's level of information and firm size did not significantly affect firm value. Meanwhile, liquidity has a negative and significant effect on firm value.

Keyword : Digitization of Information, Liquidity, Firm Size, Firm Value

INTRODUCTION

Firm value is a way to measure and compare companies with other companies (Brigham & Houston, 2014). The value of a company can be influenced by many factors. Harrison (2015) revealed that financial information that is considered good by stakeholders can increase the value of the company. The high value of the company not only reflects market confidence in the company's performance in the present but also increases investor confidence in the company's growth prospects (Pertiwi et al., 2016) This is in line with what was revealed by Ernawati and Widyawati (2015), that company value is one of the considerations for investors in their investment decisions in a company.

Previous research, such as research by Djashan and Agustinus in 2020 and research by Kristi and Yanto that used financial data such as tangible fixed assets, firm size, profitability, liquidity, company growth, and leverage level, found that there were a number of variables with financial data proxies that had an effect on company value. This research is different from the research conducted by Salvi, et al. in 2020, which used qualitative data in the form of digitizing information. The study found that the level of digital information disclosure has a positive effect on company value. This means that, based on this research, it is also known that stakeholders are increasingly considering information related to company digitization. For this reason, researchers on this occasion used quantitative and qualitative data to explain its effect on company value.

Signaling theory explains that company information can be a signal aimed at the market, including investors, both directly and indirectly, with the main hope of attracting investment interest from the market. With relevant information, investors can make the right decisions about their investment in the company. Investors can influence the value of the company (McGuire, Schneeweis, & Branch, 1990) because the value of the company is calculated from the market price of the company's shares. The market reaction to the signals sent by the company will affect the market price of the stock. Along with technological developments, the delivery of digital information can reach and be reached by various parties more broadly and efficiently.

The application of digitization allows companies to generate revenue, increase business, move or transform business processes, and be able to create an environment that has information digitization as a basis (Salvi et al, 2020). This is also supported by the results of previous research by Andrikopoulus et al. (2013), which explained that disclosing information digitally, especially through direct company websites, is a good thing because it can reduce information asymmetry and agency conflict.

Liquidity is an indicator of a company's ability to pay all financial obligations in the short term from its current assets (Amrin, 2009). The size of the company's liquidity will affect investment interest (Amerta, 2022). Of course, the company must have sufficient current assets to be able to pay all of its short-term obligations that will be due soon. However, too many current assets will also have a negative impact on the company (Kelly and Williams 2015).

The higher the company's liquidity ratio, the greater the value of its current assets. Hammond explains in his book that a company with a liquidity ratio that is too high actually gives investors the perception that the company is not optimal in utilizing its assets to provide benefits to shareholders. As revealed by Nurhayati (2013) in research conducted, too many current assets eliminate opportunities for companies to expand. Companies with too many current assets that are deposited and not used indicate that the company's ability to manage assets is not optimal for the prosperity of shareholders (Sudiani & Darmayanti, 2016). Sawir, in his book (2005), also explains that the current ratio, as a measure of liquidity, whose value is too high, can reduce a company's ability to generate profits. Low profits will also have an impact on the rate of return received by investors on their investment in the company.

Company size is the basis for determining the size of a company (Veronica & Siddharta, 2005). Rompas et al. (2018), explained that large companies tend to have stable financial capabilities with prospects for business continuity. For companies that are said to have business continuity, at least the company also has good performance. With good performance, of course, the company will generate profits. The profits generated by the company will have an impact on the amount of dividends distributed to stakeholders. Thus, investors will tend to invest in large companies compared to small companies.

CONTENTS

This research is conducted on consumer cyclicals sector companies listed in the Indonesia Stock Exchange. Based on the results, it is known that Digitization of Information has no significant effect on firm value. The results of this study are in line with previous research by Chen & Srinivasan (2019) from Harvard University which shows that there is no significant increase in the company's value over digital activity from the company. Chen & Srinivasan also revealed that the market does not consider digital activity as valuable because of a lack of certainty about this. For companies, the benefits of Digital activities are also often unclear and require long-term costs significantly expensive short due to digital investment costs unable to generate profits in the short term. The application of digitization of information is very easy to imitate, so it does not provide added value. Besides that, IT Spending, is more of a waste because the benefits are only getting felt if done in the long run. Waste and possibility implementation failure of IT Spending causes loss, decline earnings to, a decrease in the value of the company

Based on the results, it is known that, significantly, liquidity has a negative effect on firm value, meaning that liquidity is measured using the current ratio, and if the value is greater, it will reduce the value of the company. Conversely, a company with a low current ratio will increase the value of the company. The current ratio is calculated by comparing the total current assets of the company with the amount of short-term debt.

Nurhayati (2013) revealed that too many current assets eliminate opportunities for companies to expand. Current assets consist of cash and cash equivalents, trade receivables, inventories, and equipment. If the company has too many current assets that are deposited but not used, this indicates that the company's ability to manage assets is not optimal for the prosperity of shareholders (Sudiani & Darmayanti, 2016).

This is also in line with what Sawir disclosed in his book (2005), that a current ratio that is too high can reduce a company's ability to generate profits. The amount of bad debts, unsold inventory, and idle cash gives the perception that the company cannot optimally manage its assets and can hamper the company's ability to generate profits. Low profits will also have an impact on the rate of return received by investors on their investment in the company.

Based on the results of the T test in Table 4.10, it is known that company size does not significantly influence firm value. Company size is explained by Basyaib in his book (2007), as a scale to be able to classify the size of the company, which can be measured using the company's total assets. The large amount of assets owned by a company indicates that there is also a large expenditure of funds, which allows the emergence of large debts that also increase the company's risk (Ainiyah & Sinta, 2019).

CONCLUSION

Based on the results of the research that has been carried out, it can be concluded as follows:

1. Information Digitization has no effect on Company Value in Consumer Cyclicals sector companies
2. Liquidity has a negative and significant effect on firm value in consumer cyclicals sector companies
3. Firm size has no effect on firm value in consumer cyclicals sector companies

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DETERMINANTS THEORY OF PLANNED BEHAVIOR (TPB) ON THE IMPLEMENTATION OF CENTRAL BANK DIGITAL CURRENCY (CBDC)

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ABSTRACT

Central Bank Digital Currency (CBDC) is an interesting topic of conversation with President G20 Indonesia. CBDC will complete the digital transformation process that is currently sweeping across the globe. The presence of CBDC has many benefits, such as providing risk-free digital payment tools using central bank money; mitigating the risk of non-sovereign digital currency; and expanding and accelerating financial inclusion. The theoretical foundation in this study uses the Theory of Planned Behavior. This study aims to see if the attitude, subjective norms, perceived behavioral control as a determinant of the Theory of Planned Behavior affect the intentions of the people using the Central Bank Digital Currency. This research a type of quantitative research with a descriptive approach. The sampling technique used in this study is non-probability sampling using a purposive sampling approach. The data collected using primary data and online questionnaire with Google Formula to get information from respondents, namely the 15 to 60 years old productive age community in Makassar City. Statistical analysis used is descriptive analysis, validity and reliability tests, F tests, T tests, and determination coefficients. Processing data using SPSS version 29. The results of this study are; 1) attitude has a positive influence and significant effect on the implementation of Central Bank Digital Currency, 2) subjective norm do not have a significant positive effect on the implementation of Central Bank Digital Currency, 3) perceived behavioral control has a positive influence and significant effect on the implementation of Central Bank Digital Currency.
Keywords: *Attitude, Subjective Norm, Perceived of Behavioral Control, CBDC*

INTRODUCTION

Central Bank Digital Currency (CBDC) became an interesting topic of conversation at the Presidency of G20 Indonesia. CBDC is a digital currency issued by the central bank to be used as an alternative to legal tender such as cash (Kochergin, et. al, 2019). An alternative means of legal payment is that CBDC applies without replacing the existence and use of cash, making CBDC a legal tender option for people who need CBDC. Seeing the increasingly technologically dependent life, it is important for people to be able to use digital currency to make it easier for people to transact (Bank of England, 2020).

THEORETICAL STUDY

Theory of Planned Behavior (TPB)

The theory was originally named Theory of Reasoned Action (TRA), developed in 1967, and further revised and expanded by Icek Ajzen and Martin Fishbein. In 1988, another item was added to the existing Theory of Reasoned Action and later named the Theory of Planned Behavior (TPB), to address the shortcomings discovered by Ajzen and Fishbein through their research using TRA. Ajzen (1991) proposed an additional definition of individual behavior in the Theory of Planned Behavior, namely control of perceived behavior. Perceived behavior control is the individual's perception of how easily a particular behavior will be performed (Ajzen, 1991). The Theory of Planned Behavior uses three constructs as an antecedent of intension: the individual's attitude toward the behavior, subjective norms, and the individual's feelings about the ability to control everything that affects the behavior (Ajzen, 1991).

Central Bank Digital Currency (CBDC)

CBDCis an electronic form of central bank currency that can be used by people to make digital payments and store value. In countries with backward financial infrastructure, the benefits of CBDC will be clearer. The launch of CBDC will help reduce or even eliminate system inefficiencies that hinder current markets and global expansion. For countries heavily affected by domestic inflation and international sanctions, the issuance of CBDC is a potential solution. For developed or developing countries with counterfeiting, CBDC is a better option because it reduces the cost of issuing, circulating, and monitoring physical currencies.

The Framework of Thought

The conceptual framework of this study is as follows

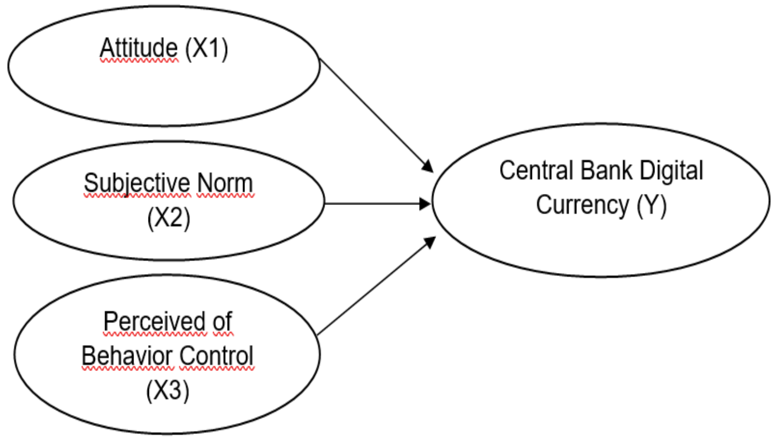

Figure 1;The Framework of Thought

HYPOTHESIS

As for the hypothesis constructed from this study;

H1: Attitude has a positive effect on CBDC implementation.

H2: Subjective Norm have a positive effect on CBDC implementation.

H3: Perceived of Behavior Control has a positive effect on CBDC implementation.

RESEARCH METHOD

This research a type of quantitative research with a descriptive approach. The sampling technique used in this study is non-probability sampling using a purposive sampling approach. The data collected using primary data and online questionnaire with Google Formula to get information from respondents, namely the 15 to 60 years old productive age community in Makassar City. Statistical analysis used is descriptive analysis, validity and reliability tests, F tests, T tests, and determination coefficients. Processing data using SPSS version 29.

RESEARCH AND DISCUSSION RESULTS

Descriptive Statistics

Table 1. Descriptive Statistics

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Attitude (X1)	100	4	10	8.58	1.565
Subjective Norm (X2)	100	4	10	8.00	1.583
Perceived of Behavior Control (X3)	100	4	10	7.94	1.953
Central Bank Digital Currency (CBDC) (Y)	100	4	10	8.44	1.702
Valid N (listwise)	100				

Validity Test

In the Test of validity if the correlation ($r_{calculated} > r_{table}$) with n = 100 is of 5% significance in the statistical rtabel value distribution then a rtabel value of 0.163. If the probability of a correlation result is > 0.05 then the data are valid.

Table 2. Validity Test

Variable	Question Items	r_{hitung}	r_{tabel}	Description
Attitude (X.1)	X1.1	1	0,163	VALID
	X1.2	0,589	0,163	VALID
Subjective Norm (X.2)	X2.1	0,511	0,163	VALID
	X2.2	0,427	0,163	VALID
Perceived of Behavior Control (X.3)	X3.1	0,312	0,163	VALID
	X3.2	0,282	0,163	VALID
Central Bank Digital Currency (Y)	Y.1	0,431	0,163	VALID
	Y.2	0,460	0,163	VALID

Reability Test

Table 3. Reability Test

Reliability Statistics

Cronbach's Alpha	N of Items
.852	8

The table above shows the overall Croncbach Alpha value of 0.852 > 0.6 and it can be concluded that the instrument of this study is reliable.

F Test

Table 4. F Test

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	114.406	3	38.135	21.256	<.001[b]
	Residual	172.234	96	1.794		
	Total	286.640	99			

a. Dependent Variable: Central Bank Digital Currency (CBDC) (Y)
b. Predictors: (Constant), Perceived of Behavior Control (X3), Subjective Norm (X2), Attitude (X1)

The above table gives the probability (sig) < 0.05 which is 0.001 < 0.05. Therefore, H0 is rejected, meaning there is a significant simultaneous (together) influence between X1, X2, X3 and Y.

t Test

Table 5. T Test

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	
		B	Std. Error	Beta	t
1	(Constant)	2.004	.873		2.294
	Attitude (X1)	.283	.102	.261	2.788
	Subjective Norm (X2)	.131	.101	.122	1.297
	Perceived of Behavior Control (X3)	.373	.074	.428	5.048

a. Dependent Variable: Central Bank Digital Currency (CBDC) (Y)

Hypothesis Testing

First hypothesis testing

It is known that the Sig value for the effect of X1 on Y is 0.006 < 0.05 and the t calculated value is 2,788 > t table 1,984, so it can be concluded that H1 Attitude (X1) has an effect on CBDC (Y) implementation.

Second hypothesis testing

It is known that the Sig value for the effect of X2 on Y is 0.198 > 0.05 and the t calculated value is 1,297 < t of table 1,984, so it can be concluded that H2 Subjective Norm (X2) has no effect on CBDC (Y) implementation.

Third hypothesis testing

It is known that the Sig value for X3 effect on Y is 0.001 < 0.05 and the t calculated value 5.048 > t of table 1,984, so it can be concluded that H3 Behavior Perceived Control (X1) has an effect on CBDC (Y) implementation.

Determinant Test (Adjusted R2)

Table 6. Determinant Test (Adjusted R2)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.632[a]	.399	.380	1.33944

a. Predictors: (Constant), Perceived of Behavior Control (X3), Subjective Norm (X2), Attitude (X1)

The table above is scored R2 = 0.399 which means Attitude, Subjective Norms, and Perception of Behavior Control had an effect of as much as 39.9% the user's attitude and the remaining 60.1% were influenced by other factors not examined in this study.

DISCUSSION

The attitude as one of the determinants of TPB has a positive effect on the implementation of CBDC.

Based on the results of the analysis, the result was that the attitude variable had a partial and significant effect on the CBDC's application because the significance value was smaller than the count, namely 0.006 < 0.05 and the t calculated value 2.788 > t of table 1.984. This indicates that the better the individual's attitude towards CBDC implementation, the higher the individual will implement it.

The subjective norm as one of the determinants of TPB has no positive effect on the implementation of CBDC.

Based on the results of the analysis, the result was that the subjective norm variable did not have a partial and significant effect on the CBDC's application as the significance value was greater than the count, which was 0.198 > 0.05 and the t calculated value 1,297 < t of table 1,984. It identifies that the views and opinions of important people around the respondent can also be referred to as social pressure regarding the use of electronic money does not significantly affect a person to use it.

Perceived of behavior control as one of the determinants of TPB has a positive effect on the implementation of CBDC.

Based on the results of the analysis, the results obtained that the perceived of behavior control variable had a partial and significant effect on CBDC application because the significance value was smaller than t calculated value of 0.001 < 0.05 and t calculated value 0.359 < table 1.984. This indicates that in predicting behavior intent, perceived control over behavior has a high degree of accuracy.

CONCLUSION

Based on the results of research and data analysis outlined:

Attitude has a positive and significant effect on the implementation of CBDC. This is in line with the research conducted by Annisa Hakim Zamzami (2020), who found that attitude had a positive effect on the intention to adopt cryptocurrency;

Subjective Standards have a significant negative effect on CBDC implementation. This is in line with research conducted by Tanzila Arifa Putri, Nurbaiti, and Juliana Nasution (2023) which found that subjective norms did not significantly affect the intensity of using Fintech Payment on FIBI UINSU Students;

Perceived of Behavior Control has a significant effect on CBDC implementation. This is in line with the research conducted by Yulfan Arif Norahman and Rina Sari Qurniawati (2021), who found that behavior control perception had a positive effect on the intention of SME Food Halal Using E-Money.

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THE EFFECT OF REDUCING CARBON EMISSIONS ON FINANCIAL PERFORMANCE WITH CARBON PERFORMANCE AS AN INTERVENING VARIABLE (Empirical Study of Mining, Infrastructure, Utilities and Transportation Sector Companies Listed on the Indonesia Stock Exchange Period 2019-2021)

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ABSTRACT

This study aims to determine the effect of reducing carbon emissions on financial performance with carbon performance as an intervening variable. The intervening variable used in this study is carbon performance as measured by dividing amount of emissions of scope 1 and scope 2 in the current year by amount sales at the end of the fiscal year. The independent variable in this study is the reduction in carbon emissions as measured by dividing the total sales at the end of the fiscal year by the amount emissions in scope 1 and scope 2 in the current year. The dependent variable in this study is financial performance as measured by return on assets (ROA). Companies in the mining, infrastructure, utilities, and transportation industries that were listed on the Indonesia Stock Exchange from 2019 to 2021 are included in this study. Purposive sampling is used in this study, which yields 64 research data. The data analysis technique of this study used multiple regression analysis with SPSSv25 software and path analysis and sobel calculations. The results of this study prove that reducing carbon emissions has a significant positive effect on ifinancial performance. In addition, carbon performance acts as a mediator in the effect of reducing carbon emissions on financial performance.
Keyword : *Carbon Emission Reduction, Carbon Performances, Financial Performances, Return on Asset*

INTRODUCTION

The company's financial performance is assessed through an analysis of financial statements. To achieve good financial performance, managers are required to manage the company effectively and efficiently. The indicator used to measure the effectiveness of the company is the achievement of company goals. While the indicators used to measure the level of efficiency are cost savings made by the company (Wahyuni, 2016). Corporate social responsibility is carried out to meet the demands of stakeholders regarding company activities, including the impact of the resulting carbon emissions. One of the cost reduction strategies carried out by companies is by reducing carbon emissions (Nishitani & Kokubu, 2012).

Indonesia has ratified the Paris Agreement, as indicated by Law Number 16 of 2016 on the Paris Agreement in the United Nations Framework Convention on Climate Change, which sets out pledges to reduce emissions. In the Paris agreement it is stated that each country is obliged to disclose and carry out post-2020 climate resilience actions in the specified national contribution report

(NDC). The NDC text sets targets for reducing Indonesia's greenhouse gas emissions for 2030 of 29% unconditionally (with own companies) and 41% conditionally (with adequate international cooperation). In this agreement, the most emphasized point is carbon emissions, where carbon emissions are believed to be the main factor causing global warming. Companies can reduce carbon emissions by calculating carbon from industrial processes, setting carbon reduction targets, reporting systems, and developing carbon reduction programs (Kurnia et al., 2020). So that the company has a contract or obligation to adapt itself by carrying out company operational activities in accordance with the norms and values prevailing in society and trying to meet the needs of the community or improve the welfare and environment in which the business operates in line with the theory of legitimacy. (Cahya, 2017).

The effect of Reducing Carbon Emissions in this study refers to research (Makan & Kabra, 2021) entitled "Carbon Emission Reduction and Financial Performance in an Emerging Market: Empirical Study of Indian Firms". to suit the desired purpose. Because if the company fails to reduce its emission level there will be consequences for this failure so that it can negatively disrupt the hopes and claims of shareholders. Therefore, this study shows a positive relationship between reducing carbon emissions and financial performance.

This research is an extension of research (Makan & Kabra, 2021) by adding carbon performance as an intervening variable. Research conducted by (Busch & Hoffmann, 2011) entitled "How hot is your bottom line? Linking carbon and financial performance” states that reducing carbon emissions is seen as an important component of risk management and business strategy so that it is necessary to pay attention to carbon performance in the strategy taken for each risk management activity to assist companies in reducing adverse consequences in the future. Therefore, carbon performance is related to efforts to reduce carbon emissions taken by companies in order to create a better business environment so as to produce better long-term financial performance of companies.

(Makan & Kabra, 2021) states that a strategy to improve a company's financial performance is to reduce carbon emissions. A good reduction in carbon emissions can be seen from the company's strong commitment to reducing its carbon emissions. a low level of carbon emissions shows that the company has reduced carbon emissions and the company's high commitment to controlling their waste emissions, so as to maximize the company's financial performance.

H1: Carbon Emission Reduction has a positive effect on Financial Performance

(Nishitani & Kokubu, 2012) argues that the right business strategy and does not conflict with the company's economic incentives is to reduce carbon emissions. Carbon performance is related to reducing carbon emissions by means of actions taken by companies in order to create a more profitable business environment so as to result in an increase in the company's financial performance.

H2: Carbon Performance mediates the relationship between reduction Carbon Emissions and Financial Performance

RESEARCH METHODS

This study uses a quantitative research methodology to evaluate hypotheses using secondary data and an accurately representative sample of the population. The Indonesian Stock Exchange (IDX) financial reports from business actors in the mining, infrastructure, utilities and transportation sectors for 2019-2021 were analyzed using several research variables. A total of 64 companies were collected for this study.

Dependent Variable
The dependent variable is proxied based on Return On Assets (ROA) for financial performance variables. The ROA ratio is used to assess how well a company's assets can generate net income. So the formula for calculating ROA is as follows:

$$ROA_{i,t} = \frac{\text{Net Profit After Tax}}{\text{Total Assets}}$$

Independent Variable

The independent variable in this study is Carbon Emission Reduction (CER). Measurement of Carbon Emission Reduction (CER) in this study refers to research (Nishitani & Kokubu, 2012) using the following formula:

$$CER_{i,t} = \frac{\text{Total Net Sales at end of period year}}{\text{Total Scope 1 and Scope 2 Emissions in current year}}$$

Intervening Variable

The mediating variable used in this study is carbon performance as measured by carbon performance (CP) using the following formula:

$$\textit{Carbon Performance}\ (CP_{i,t}) = \frac{\text{Total Scope 1 and Scope 2 Emissions in current year}}{\text{Total Net Sales at end of period year}}$$

Where:
Scope 1 emissions: Direct emissions associated with burning fossil fuels or processing chemicals and sources owned or controlled by the company.
Emissions Scope 2 : Indirect emissions from the use of electricity by the company.

RESEARCH RESULTS AND DISCUSSION

Descriptive statistics are used to characterize the sample data profile before using statistical analysis methods to test hypotheses. (Ghozali, 2018). The following table shows the descriptive statistical results of the research model variables.

Table 1
Descriptive Statistical Analysis After Outliers

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
CER	64	257.53	11779.89	1934.0272	1824.87041
CP	64	.00008489	.00388309	.0009264273	.00073511334
ROA	64	-6.80%	13.55%	2.7151%	4.33343%
Valid N (listwise)	64				

Source: Processed secondary data

There are 64 observations used to get the value of N (amount of data analysis) based on table 1. In addition, table 1 presents data from each variable in the form of the average value (mean), standard deviation, maximum value, and minimum value.imum.

MODEL AND HYPOTHESIS TESTING

Model 1 Regression Analysis

Multiple linear regression analysis technique is used to test the research hypothesis. Table 2 below presents the results of the regression test.

Table 2
Statistical Test T (Individual Parameter Significance Test)

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6,458	0,475		13,585	0,000
	CER	0,000	0,000	-0,207	-2,525	0,014
	CP	-3422,996	290,877	-0,966	-11,768	0,000
a. Dependent Variable: ROA						

Source: Processed secondary data

Based on table 2 above, it is known that the test results for the carbon emission reduction variable (CER) have a Tcount of 2.525 with a significance profitability level of 0.014 (smaller than 0.05) and a beta coefficient value of 0.000. This means that H1 is accepted, it can be concluded that reducing carbon emissions has a positive effect on financial performance.

Table 3
Statistical Test F

ANOVA[a]						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	314,635	2	157,317	85,265	0,000[b]
	Residual	112,547	61	1,845		
	Total	427,181	63			
a. Dependent Variable: ROA						
b. Predictors: (Constant), CP, CER						

Source: Processed secondary data

It is known that the Fcount value is 85.265 with a significance value of 0.000 (smaller than 0.05). A combined conclusion can be drawn from the various independent variables consisting of carbon emission reduction and carbon performance which together affect financial performance. Based on these findings, the model meets the criteria and passes the fit test (Ghozali, 2018).

PATH ANALYSIS

The Effect of Reducing Carbon Emissions on Financial Performance with Carbon Performance as an Intervening Variable

Table 4
Path Regression Test Results

Variabel	β	Std. Error	Signifikansi pada 0,05	
Konstanta	0,001	0,000	0,000	CP (Jalur 1)
CER	-0,0002415	0,000	0,000	
Konstanta	6,458	0,475	0,000	ROA (Jalur 2)
CP	- 3422,994	290,877	0,000	

Source: Processed secondary data

The results of the Sobel test to test the significance of the intervening effect of carbon performance on the relationship between carbon emission reduction and financial performance show the statistical results of the Sobel test of 11.776. These results show that the value of Tcount is greater than Ttable of 11.776 > 1.999, which means that the carbon performance variable mediates the effect of reducing carbon emissions on financial performance. It can be concluded that hypothesis 2 (H2) is accepted.

DISCUSSION OF RESEARCH RESULTS

The Effect of Reducing Carbon Emissions on Financial Performance

The results of this study indicate that companies with higher carbon emission reductions will improve the company's financial performance. The results of this study are in line with previous research (Makan & Kabra, 2021) which found that reducing carbon emissions had a positive and significant impact on financial performance. This study argues that carbon emissions can be considered as an inherent part of risk management and is a business strategy for companies. Therefore, companies need to reduce carbon emissions as part of their corporate strategy. The company will reduce its carbon emissions proactively because if the company fails to reduce its emission levels there will be consequences for the failure so that it will negatively affect the expectations and claims of shareholders. So that it will improve the company's financial performance.

The Effect of Reducing Carbon Emissions on Financial Performance with Carbon Performance as an Intervening Variable

Carbon performance is related to reducing carbon emissions by means of actions taken by companies in order to create a more profitable business environment so as to result in an increase in the company's financial performance. Thus, managers need to find an adequate corporate carbon strategy to maintain or even increase competitiveness (Lee, 2012). So this study proves that reducing carbon emissions has a significant effect on carbon performance. Theoretically, the low carbon performance impact occurs due to the high potential for reducing carbon emissions, so that it can significantly improve the company's financial performance.

CONCLUSIONS AND SUGGESTIONS

Based on the results of the discussion, it can be concluded that reducing carbon emissions has a significant positive effect on financial performance. and carbon performance can mediate the effect of reducing carbon emissions on financial performance. The limitation of this study is that the company has not fully disclosed detailed information on total carbon emissions so that of the initial 447 samples, only 64 samples were studied. In addition, the amount of data that is too extreme is due to differences in data per sector used for each variable so that it has a large distribution in the study. As for suggestions for future researchers to use one sector in research so that the data obtained does not have a data distribution that is too extreme due to differences in research sectors.

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ANALYSIS THE EFFECT OF GOOD CORPORATE GOVERNANCE (GCG) ON COMPANY VALUE IN THE FOOD AND BEVERAGE SUB-SECTORS LISTED ON THE INDONESIA STOCK EXCHANGE IN 2020-2022

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ABSTRACT

This study aims to determine the effect of good corporate governance on firm value. Good corporate governance variables used are managerial ownership, institutional ownership, independent commissioners, audit committees, board size, and firm value. This research data uses quantitative methods. The population in this study are food and beverage sub-sector companies listed on the Indonesia Stock Exchange for the period 2020 to 2022. The sampling technique uses a purposive sampling method with criteria determined by the researcher. The method of analysis of this research uses multiple linear regression analysis with IBM SPSS Statistics 25.
Keywords: *Managerial Ownership, Institutional Ownership, Independent Commissioner, Audit Committee, Size of the Board of Commissioners, and Company Value*

INTRODUCTION

The application of good corporate governance can improve the quality of a company's financial statements. Quality financial reports must be able to provide information that is relevant and useful in making decisions, such as investment decisions for investors, and adhering to generally accepted accounting principles and free from fraud. As stated by the government in a press release, namely the importance of implementing Good Corporate Governance (GCG) for business continuity and efforts to attract investment. The government needs to ensure that every company implements the principles of Good Corporate Governance (GCG), especially public companies and companies that collect and manage public funds. There are several mechanisms in implementing good corporate governance, namely managerial ownership, institutional ownership, independent commissioners, audit committees, and the size of the board of commissioners.

However, there are still companies that have not properly implemented Good Corporate Governance, based on a phenomenon reported by kontan.co.id news on July 9 2018 that public company governance is still low, poor public governance practices such as what has been done by PT Tiga Pilar Sejahtera Food (AISA) (occurring in 2018) commits fraud in rice production and delays in paying debt interest obligations and bonds. Governance practices depend on the will of the company's internal management, but regulatory oversight also plays an important role.

The violations committed were part of serious violations in the capital market related to the implementation of Good Corporate Governance (GCG). However, overall the implementation of Good Corporate Governance (GCG) in a number of companies has been relatively good and needs further improvement. Companies that have Good Corporate Governance (GCG) do not necessarily have better stock price performance in the market compared to Good Corporate Governance (GCG) in companies that are not so good.

Based on the phenomena that occur, it can be concluded that there are violations of the principles of Good Corporate Governance (GCG), there are several parties that harm the public by prioritizing the interests of the company by committing fraud. The poor implementation of Good Corporate Governance (GCG) is because the parties that carry out internal control, starting from the board of commissioners, internal audit, and the audit committee, do not carry out their functions optimally. Bearing in mind that Good Corporate Governance (GCG) is a control tool that creates a balance in overseeing the management of the company. Implementation of Good Corporate Governance (GCG) in order to increase corporate value that must be carried out by all companies. The principles of Good Corporate Governance (GCG) are transparency, accountability, responsibility, independence and fairness.

Managerial ownership

Managerial ownership can be defined as the level of management ownership that actively participates in decision-making, such as directors, management and commissioners. It can be concluded that managerial ownership is a situation in which company management has multiple positions, namely their position as company management as well as shareholders who play an active role in decision making.

Institutional Ownership

Institutional Ownership is the percentage of total shares owned by investors. Institutional shareholders are considered active participants in corporate control, because institutions have the resources, expertise and ability to control management, thus preventing the behavior of managers from being selfish.

Independent Commissioner

The board of commissioners is independent as a member of the board of commissioners who has no affiliation with the majority shareholder, other members of the board of commissioners, the board of directors, and is free from business relationships or other relationships that may affect the performance of the independent auditors. the ability to act independently or act solely in the interests of the company.

Audit Committee

The Audit Committee is a committee that operates independently. The committee is the professionalism of the audit committee. The existence of a Company Audit Committee is expected to do a good job in internal quality control if the company wants to improve.

Size of the Board of Commissioners

The board of commissioners plays a central role in the corporate governance framework, overseeing management policies and their implementation and advising the directors. The board of commissioners must have the ability to carry out their duties with competence and integrity to ensure that the company's activities comply with the applicable laws and regulations.

The value of the company

Firm value is a perception of the level of success of company investors related to stock prices (Sujoko and Soebiantoro in Fitriyani, 2017). A company is said to have good value if its performance is also good.

RESULTS AND DISCUSSION

The data analysis technique in this study is using multiple linear regression analysis method, by examining the influence of managerial ownership, institutional ownership, independent commissioners, audit committees, and the size of the board of commissioners. In this study, a classical assumption test was carried out to find out whether the data were normally distributed. The results of the classical assumption test with the normality test, multicollinearity test, autocorrelation test, and heteroscedasticity test showed that the data in this study were normally distributed.

The results of the study with the T test:

Table 1
T test results

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.878	.489		1.796	.076
	kepemilikan manajerial	.670	.883	.084	.759	.450
	kepemilikan institusional	1.528	.599	.266	2.553	.012
	komisaris independent	-.440	.154	-.316	-2.866	.005
	komite audit	.083	.136	.062	.612	.542
	ukuran dewan komisaris	.165	.049	.372	3.372	.001

a. Dependent Variable: nilai perusahaan

Sumber: Hasil Olah Data SPSS, 2023

Effect of Managerial Ownership on Firm Value

Based on the results of the analysis, it shows a significance value of 0.450 > 0.05 so it can be concluded that managerial ownership has no effect on firm value. Because in this study the food and beverage sector has an average managerial ownership that is still relatively low. The low share owned by the company's management resulted in the management not feeling part of owning the company because not all the profits could be enjoyed by the management.

The results of this study are the same as those conducted by (Fitriyani, 2017) and (Nuryono et al., 2019) which state that high managerial ownership will encourage management to carry out its functions properly, because this aims to improve their own interests and ignore the welfare of shareholders.

Effect of Institutional Ownership on Firm Value

Based on the results of the analysis, it shows a significance value of 0.012 <0.05 so it can be concluded that institutional ownership has an effect on firm value. This is because large institutional ownership shows its ability to monitor management, with supervision carried out by institutions, management can prevent waste. Concentration of institutional ownership will increase public trust in the company in the form of increasing share trading volume and share price so that it will increase the value of the company.

The results of this study are the same as those conducted by (Sudrajat, 2020) which state that the higher the proportion of institutional ownership, the greater the value of the company.

The Influence of Independent Commissioners on Company Value

Based on the results of the analysis, it shows a significance value of 0.005 <0.05 so it can be concluded that independent commissioners have an effect on firm value. This is because the independent commissioner is a composition of the board of commissioners who work independently. Due to their independence and professionalism, management performance, especially the company's financial reporting, will be objective, thereby increasing the value of the company.

The results of this study are in line with research conducted by (Alfinur, 2016) and (Akmal, 2019) stating that the higher the proportion of independent commissioners in the company, it is expected that the empowerment of the board of commissioners can carry out supervisory duties and provide advice to directors effectively and provide more added value for the independent commissioner company affects the company value.

The Influence of the Audit Committee on Company Value

Based on the results of the analysis, it shows a significance value of 0.542 > 0.05 so it can be concluded that the audit committee has no effect on firm value. This is because the role of the audit committee is not optimal in carrying out the oversight function of company management.

The results of this study are in line with research conducted by (Nuryono et al., 2019) which states that the audit committee has no effect on the company, this is because the audit committee variable is not a determining factor in increasing the effectiveness of the audit committee function, especially those related to conflicts interests, acts that are detrimental to the company, and fraud.

The Effect of Board of Commissioners Size on Company Value

Based on the results of the analysis, it shows a significance value of 0.001 <0.05 so it can be concluded that the size of the board of commissioners has an effect on firm value. This is because the board of commissioners is tasked with controlling company activities and overseeing management policies. Through this monitoring process, the company's activities run well so that it has an impact on increasing the value of the company.

The results of this study are in line with research conducted by (Sudrajat, 2020) this explains that if the size of the board of commissioners the bigger it is, the higher the company value.

CONCLUSION

Based on the results of data analysis and discussion that has been done, the conclusions of this study are as follows:

Managerial Ownership has no effect on company value in food and beverage sub-sector companies listed on the Indonesia Stock Exchange (IDX) for the 2020-2022 period.

Institutional Ownership affects company value in food and beverage sub-sector companies listed on the Indonesia Stock Exchange (IDX) for the 2020-2022 period.

Independent Commissioners have an effect on company value in food and beverage sub-sector companies listed on the Indonesia Stock Exchange (IDX) for the 2020-2022 period.

The Audit Committee has no effect on company value in food and beverage sub-sector companies listed on the Indonesia Stock Exchange (IDX) for the 2020-2022 period.

The size of the Board of Commissioners affects company value in food and beverage sub-sector companies listed on the Indonesia Stock Exchange (IDX) for the 2020-2022 period

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THE INFLUENCE OF AUDIT QUALITY, COMPANY SIZE, AND LIQUIDITY ON PROFIT QUALITY WITH THE AUDIT COMMITTEE AS A MODERATING VARIABLE

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ABSTRACT

This study aims to determine the effect of audit quality, company size, and liquidity on earnings quality with audit committee as a moderating variable in manufacturing companies listed on the Indonesia Stock Exchange for the 2019-2021 period. In determining the sample using purposive sampling method with a total sample of 249. The data used is secondary data and the research method used is Multiple Regression Analysis. The results of this study indicate that audit quality, company size and liquidity have a significant effect on earnings quality. The Audit Committee Moderates the Influence of Audit Quality, Company Size and Liquidity on Earnings Quality.
Keywords: *Profit Quality, Audit Quality, Company Size, Liquidity, Audit Committee*

INTRODUCTION

One of the companies that have *gone public* is a manufacturing company that obtains funding sources from investors and creditors. Investors will help provide funds if the company is assessed as a quality company. The quality of a company can be seen from various sides of the company. Along with market developments and financial reporting rules, users of financial statements need higher quality financial information to be able to make good decisions. Therefore, the quality of earnings is the focus of attention of users of financial reports in making the right decisions (Chandra, 2020).

As in the case of PT Garuda Indonesia Tbk (GIAA), which manipulated its financial statements, it started on April 24 2019, there was chaos because two commissioners, namely Chairal Tanjung and Dony Oskaria, who did not want to sign the 2018 annual financial statements, recorded the net profit of the collaboration between Garuda and PT Mahata. Aero Technology which reached Rp. 3.48 trillion. The fund is actually still a receivable with a contract that is valid for the next 15 years, but has been recorded in the first year and recognized as other income. As a result, the previously loss-making company made a profit. Then the Financial Professional Development Center (PPPK), the Financial Services Authority (OJK) to the Supreme Audit Agency (BPK) also conducted an audit and decided that there was something wrong in the presentation of GIAA's financial statements. The company was asked to restate financial statements and was fined Rp. 100 million. After making adjustments to the company's records, it recorded a loss of Rp. 2.53 trillion (cnbcindonesia.com).

In the case of PT Japfa Comfeed Indonesia Tbk (JAPFA) it recorded a net profit of IDR 1.76 trillion. Throughout 2019, net profit decreased by 18.5% compared to the previous achievement in 2018, which amounted to Rp.2.16 trillion, this was due to the swelling cost of goods sold and marketing, which increased by 10.4% to Rp.29.6 trillion, which hampered net profit growth fell by 18.5% to IDR 1.76 trillion from the previous IDR 2.16 trillion recorded in 2018 (Renil et al, 2022). In 2020, it posted a net profit of IDR 916.71 billion, a decrease compared to 2019 due to weak sales or decreased demand for domestically produced goods. Based on these phenomena, it can be shown that the event of a decrease in profits that occurs will have a direct impact on the company where there will be cases of profit manipulation that will be carried out by company management. This causes earnings quality to be a topic worthy of attention.

Earnings quality is relevant information about a company's financial performance, because earnings quality is known as the most important performance evaluation criterion and as a determinant of company value which is always used by accountants, financial managers, stock market analysts, investors and shareholders (Sukmawati; 2022). There are several factors that affect earnings quality, including: audit quality, company size, liquidity and audit committee.

Audit quality is the auditor's ability to detect errors and fraud and then include them in the audit report in accordance with generally accepted auditing standards. Audit quality is related to the size of the Public Accounting Firm (KAP) and audit quality is considered a factor that is quite difficult to measure directly (Sukmawati; 2022).

Company size is a description of the size of a company with predetermined boundaries. Large companies are usually considered to have more information than small companies (Elyzabet; 2019).

Liquidity is a financial ratio that can measure a company's ability to meet short-term liabilities and current assets. High liquidity can indicate that the financial condition of the company is quite good and will be able to pay off all current liabilities in a timely manner (Suriani; 2017).

The audit committee is an independent party that has direct responsibility to the board of commissioners. The mandatory existence of an audit committee within the company has been regulated through the Financial Services Authority Regulation No. 55/POJK.04/2015 concerning the Establishment and Guidelines for the Implementation of Work of Audit Committees The audit committee in this study is a moderating variable on audit quality, company size, and liquidity on earnings quality (Mauliana; 2019).

Companies are one of the assets that have an important role in development, especially in the face of free competition era, manufacturing companies are required to be more effective in publishing their financial reports where users of financial statements have an interest in this matter. Based on the background that has been described, the authors are interested in conducting research in writing a thesis with the title "The Influence of Audit Quality, Company Size and Liquidity on Profit Quality with the Audit Committee as a Moderating Variable (Empirical Study of Manufacturing Companies Registered on the IDX for the 2019-2021 Period)”.

RESEARCH METHODS

This study uses secondary data which can be obtained through the official website www.idx.co.id by downloading the financial reports of manufacturing companies from 2019 to 2021. The objects in this study are audit quality, company size and liquidity. The population in this study are manufacturing companies listed on the IDX in the 2019-2021 period. The population of this study is 189 manufacturing companies listed on the IDX. In this study determined by *purposive sampling method* , namely sampling based on certain criteria according to research needs. Based on the sampling criteria, there are 83 manufacturing companies that are eligible to be sampled in this study.

RESULTS AND DISCUSSION

Table 1:Statistical Descriptive Test

Descriptive Statistics	N	Minimum	Maximum	Means	std. Deviation
AUDIT QUALITY	249	.000	1,000	.34538	.476450
COMPANY SIZE	249	12610	30,880	23.34486	5.477107
LIQUIDITY	249	.410	24,800	3.09486	3.308986
PROFIT QUALITY	249	.098	2,408	1.37727	.441184
AUDIT COMMITTEE	249	.000	4,000	3.00803	.347711
Valid N (listwise)	249				

Source: Secondary data processed with SPSS for windows version 25; 2023

From the results of the descriptive statistics shown in the table above, it can be seen that:

Audit Quality, the table shows the distribution of data for audit quality variables. This variable is measured by dummy 1 if the company is audited by a KAP that is included in the *Big 4 KAP category* and 0 for non- *Big 4* KAPs . The data distribution shows a minimum value of 0.00, a maximum value of 1.00 with an average of 0.345 and a standard deviation of 0.476. These results indicate that the average company audited by KAPs that are included in the *Big 4 KAP category* is relatively small by looking at the close average and minimum values. While the variance of the data is relatively small by looking at the close mean and standard deviation values.

Company Size, the table shows the distribution of data for the company size variable as measured by natural log (LN) multiplied by total assets. The data distribution shows a minimum value of 12.61, a maximum value of 30.88 with an average of 23.344 and a standard deviation of 5.476. The results show that the average size of companies in manufacturing companies listed on the IDX for the 2019-2020 period is relatively large by looking at the close average and maximum values. Meanwhile, the variance of the data is relatively large considering the distance between the average value and standard deviation.

Liquidity, the table shows the distribution of data for the liquidity variable as measured using *the Current Ratio* (CR). The data distribution shows a minimum value of 0.41, a maximum value of 24,800, with an average of 3,095 and a standard deviation of 3,310. The results show that the average liquidity ratio of a company's ability to pay short-term obligations or debt that matures soon is relatively small by looking at the close average value -average and minimum. While the variance of the data is relatively large by looking at the mean and standard deviation values.

Profit Quality, from the table shows the distribution of data for the earnings quality variable. This variable is measured by operating cash flow divided by net income. The data distribution shows a minimum value of 0.098, a maximum value of 2.408 with an average of 1.377 and a standard deviation of 0.441. The results show that the average profit quality in maximizing profits in manufacturing companies listed on the IDX for the 2019-2021 period is relatively small by looking at the close average and minimum values. While the variance of the data is relatively large by looking at the distance between the average value and the standard deviation.

Audit Committee, the table shows the distribution of data for audit committee variables. This variable is proxied by the number of audit committees in the company. The data distribution shows a minimum value of 0.00, a maximum value of 4.00 with an average of 3.008 and a standard deviation of 0.347. These results indicate that the average existence of an audit committee in manufacturing companies listed on the IDX for the 2019-2021 period is relatively large by looking at the close average and maximum values. While the variance of the data is relatively small by looking at the close mean and standard deviation values.

CLASSIC ASSUMPTION TEST

Test Multicollinearity

The multicollinearity test is performed using the value of *the variance inflation factor* (VIF). The model is declared free from multicollinearity interference if it has a VIF value below 10 or a tolerance above 0.1. The results of the multicollinearity test are as follows:

Table 2: Multicollinearity Test Results

Coefficients [a]

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	std. Error	Betas	Q	Sig.	tolerance	VIF
1	(Constant)	1686	.134		12,565	.000		
	AUDIT QUALITY	.231	.060	.250	3,859	.000	.815	1,227
	COMPANY SIZE	-.014	005	-.179	-2,753	006	.806	1,240
	LIQUIDITY	-.017	008	-.127	-2,130	.034	.963	1038

a. Dependent Variable: QUALITY OF EARNINGS

Source: Secondary data processed by SPSS for windows version 25; 2023

From the table above it can be seen that the *tolerance value* of each independent variable is greater than 0.1 and the VIF value of each independent variable is less than 10. So it can be concluded that there are no symptoms of multicollinearity in this study.

Test Heteroscedasticity

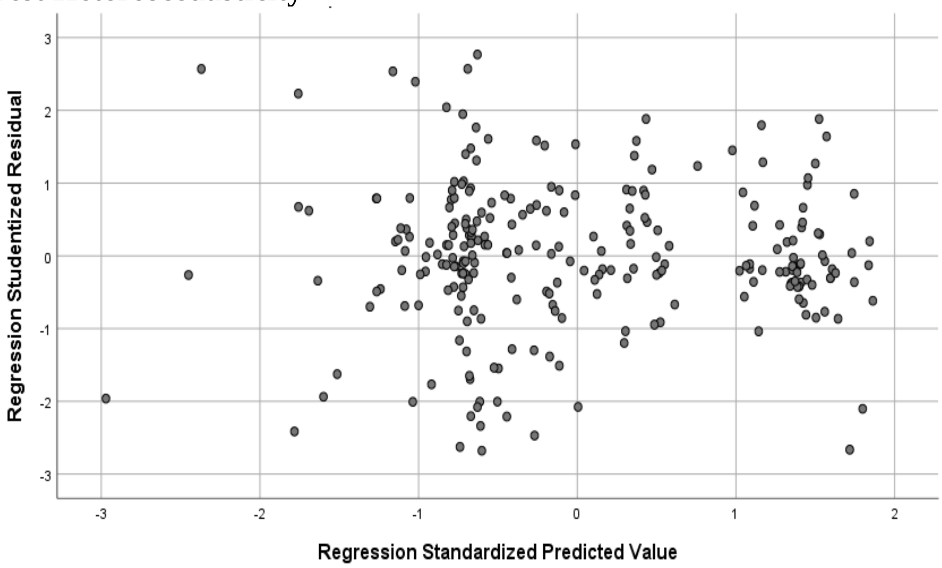

Figure 1: Heteroscedasticity Test Results

Source: Secondary data processed by SPSS for windows version 25; 2023

Based on the picture above, it shows that a good regression is one that is homoscedasticity and not heteroscedasticity. If the dots in the scatterplot form a certain regular pattern (widened, narrowed, or wavy), then it is certain that the data is experiencing heteroscedasticity. If there is no clear pattern, and the points spread above and below zero on the Y axis, it can be concluded that the data is homoscedastic.

Multiple Linear Test

Table 3: Multiple Linear Test Results

Coefficients [a]

Model		Unstandardized Coefficients B	std. Error	Standardized Coefficients Betas	Q	Sig.
1	(Constant)	1686	.134		12,565	.000
	AUDIT QUALITY	.231	.060	.250	3,859	.000
	COMPANY SIZE	-.014	005	-.179	-2,753	006
	LIQUIDITY	-.017	008	-.127	-2,130	.034

a. Dependent Variable: QUALITY OF EARNINGS

Source: Secondary data processed with SPSS for windows version 25; 2023

From the results of the table above, the regression equation is obtained as follows:

$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$

$Y = 1.686 + 0.231X_1 + (-0.014)X_2 + (-0.17)X_3$

If the audit quality is increased by 100%, the constant prediction number will increase by 0.231, if the company size is increased by 100%, the total costs will increase by -0.014, if liquidity is increased by 100%, the total costs will increase by -0.17.

HYPOTHESIS TEST RESULTS

Partial test (T)

Table 4: Partial Significance Test Results (Statistical t test)

Coefficients [a]

Model		Unstandardized Coefficients B	std. Error	Standardized Coefficients Betas	Q	Sig.
1	(Constant)	1686	.134		12,565	.000
	AUDIT QUALITY	.231	.060	.250	3,859	.000
	COMPANY SIZE	-.014	005	-.179	-2,753	006
	LIQUIDITY	-.017	008	-.127	-2,130	.034

a. Dependent Variable: QUALITY OF EARNINGS

Source: Secondary data processed with SPSS for windows version 25; 2023

The results of partial significant hypothesis testing obtain values from t_{table} . T_{table} is calculated using the following formula:

$T_{table} = t\ (\alpha/2\ ;\ nk\text{-}1)$

$T_{table} = t\ (0.05/2\ ;\ 249\text{-}3\text{-}1)$

$T_{table} = t\ (0.025\ ;\ 245) \longrightarrow$ see in table t

$T_{table} = 1.969$

Moderation Test (MRA)

Table 5: Moderation Test Results - First Regression

Coefficients [a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients std. Error	Standardized Coefficients Betas	t	Sig.
1	(Constant)	1,581	.263		6017	.000
	AUDIT QUALITY	.227	.060	.246	3,758	.000
	COMPANY SIZE	-.014	005	-.178	-2,736	007
	LIQUIDITY	-.017	008	-.127	-2.138	.033
	AUDIT COMMITTEE	.035	075	.028	.467	.641

Source: Secondary data processed with SPSS for windows version 25; 2023

Table 6: Moderation Test Results - Second Regression

Coefficients [a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients std. Error	Standardized Coefficients Betas	T	Sig.
1	(Constant)	1,328	.226		5,868	.000
	AUDIT COMMITTEE	.120	083	095	1,453	.147
	ZX1	072	.020	.242	3,651	.000
	ZX2	-.004	002	-.177	-2,579	011
	ZX3	-.008	003	-.174	-2,943	.004

Source: Secondary data processed with SPSS for windows version 25; 2023

Based on the results of the MRA testing table, the discussion regarding the H4-H6 hypothesis will be discussed as follows:
The relationship between audit quality and audit committee on earnings quality (H_4)

From the value of testing the hypothesis for variable Z (Audit Committee) obtained a t value of 1.453 and a significance value of 0.147. Because the calculated t_{value} is smaller than t_{table} (1.453 <1.969) and the significance value is greater than 0.05 (0.147 > 0.05) it can be concluded that the audit committee as a moderating variable affects earnings quality. is 3.651 and a significance value of 0.000 is obtained . Because the calculated t_{value} is greater than t_{table} (3.651> 1.969) and the significance value is less than 0.05 (0.000 <0.05) it can be concluded that H_4 accepted and H_0 is accepted , meaning that audit quality moderated by the audit committee affects earnings quality.

The relationship between firm size and audit committee on earnings quality (H_5) is -2.579 and a significance value of 0.011 is obtained . Because the calculated t_{value} is greater than t_{table} (-2.579 > 1.969) and the significance value is less than 0.05 (0.011 < 0.05) it can be concluded that H_5 is accepted and H_0 is accepted , meaning that the size of the company moderated by the audit committee has an effect on earnings quality.

The relationship between liquidity and the audit committee on earnings quality (H_6)

From the value of testing the hypothesis for the ZX3 variable (the audit committee moderates the liquidity variable on earnings quality) the t value is obtained -2.943 and a significance value of 0.004. Because the calculated t_{value} is greater than t_{table} -2.943 > 1.969) and the significance value is less than 0.05 (0.004 <0.05) it can be concluded that H_6 accepted and H_0 is accepted , meaning that liquidity moderated by the audit committee affects earnings quality.

DISCUSSION

Effect of Audit Quality on Earnings Quality

Based on the results of the t test analysis of the audit quality variable, it shows that the significance value of the audit quality variable to the earnings quality variable is 0.000. Because the value of sig. 0.000 < probability 0.05 and value (t_{count} variable audit quality is 3.859 > t_{table} 1.969) it can be concluded that Ha is accepted or the hypothesis first (H1) is accepted . So it can be said that audit quality affects earnings quality.

The Effect of Company Size on Earnings Quality

Based on the results of the t test analysis of the variable firm size, it shows that the significance value of the firm size variable to the earnings quality variable is 0.006. Because the value of sig. 0.006 < probability 0.05 and value (t_{count} variable firm size is -2.753 > t_{table} 1.969) it can be concluded that Ha is accepted or the second hypothesis (H_2) is accepted . So it can be said that company size affects earnings quality.

The Effect of Liquidity on Profit Quality

Based on the results of the t-test analysis of liquidity, it shows that the significance value of the liquidity variable to the earnings quality variable is 0.034. Because the value of sig. 0.034 < probability 0.05 and value (t_{count} variable firm size is -2.130 > t_{table} 1.969) it can be concluded that Ha is accepted or the third hypothesis is accepted (H_3). So it can be said that liquidity affects the quality of earnings.

The Audit Committee Moderates the Influence of Audit Quality on Earnings Quality

is 3.651 and a significance value of 0.000 is obtained . Because the calculated t_{value} is greater than t_{table} (3.651 > 1.969) and the significance value is less than 0.05 (0.000 <0.05) it can be concluded that H_4 accepted and H_0 is accepted, meaning that audit quality moderated by the audit committee affects earnings quality.

The variable audit quality on earnings quality before using the moderating variable shows a significant value of 0.000 and after using the audit committee as a moderating variable of 0.000. So it can be said that the audit committee is able to moderate or strengthen the effect of audit quality on earnings quality.

The Audit Committee Moderates the Effect of Company Size on Earnings Quality

is -2.579 and a significance value of 0.011 is obtained . Because the calculated t_{value} is greater than t_{table} (-2.579 > 1.969) and the significance value is less than 0.05 (0.011 <0.05) it can be concluded that H_4 accepted and H_0 is accepted , meaning that the size of the company moderated by the audit committee has an effect on earnings quality.

The firm size variable on earnings quality before using the moderating variable shows a significant value of 0.007 and after using the audit committee as a moderating variable it becomes 0.011. So it can be said that the audit committee is able to moderate or can strengthen the effect of company size on earnings quality.

The Audit Committee Moderates the Effect of Liquidity on Earnings Quality From the value of testing the hypothesis for the variable ZX3 (the audit committee moderates the variable liquidity on earnings quality) the t value is obtained $_{-2.943}$ and a significance value of 0.004. Because the $_{\text{calculated t value}}$ is greater than t $_{\text{table}}$ -2.943 > 1.969) and the significance value is less than 0.05 (0.004 <0.05) it can be concluded that H_4 accepted and H_0 is accepted , meaning that liquidity moderated by the audit committee affects earnings quality.

The liquidity variable on earnings quality before using the moderating variable shows a significant value of 0.033 and after using the audit committee as a moderating variable it becomes 0.004. So it can be said that the audit committee is able to moderate or strengthen the effect of liquidity on earnings quality.

CONCLUSION

Based on the data collected and data analysis performed by Moderate Regression Analysis (MRA) with IBM SPSS version 25, the following conclusions can be drawn:

Audit quality affects earnings quality. That is, audit quality proxied by the *Big Four* and *Non Big Four KAPs* has an effect on market reaction, that's why KAP size has an effect on earnings quality.

Company size affects the quality of earnings. That is, if the size of a company is getting bigger, its earnings management will be smaller so that relatively large companies have higher quality earnings than small companies.

Liquidity affects quality . That is, a company with good liquidity is considered capable of managing its assets so that it can obtain maximum profits and does not cause agency conflicts because the profits received are already maximized.

The audit committee can moderate or strengthen the relationship between audit quality and earnings quality. That is, so that the more the number of audit committee members in the company will be able to improve audit quality and have better earnings quality than the reported earnings of companies that do not form audit committees.

The audit committee can moderate or strengthen the relationship between company size and quality. That is, companies with large audit committees tend to prefer the services of auditors who are professional and have a good reputation in producing better earnings quality.

The audit committee can moderate or strengthen the relationship between liquidity and earnings quality. That is, a high *current ratio is considered to indicate that there is no liquidity problem, so the higher the level of liquidity, the higher the quality of the company's profits.* The role of the audit committee is very important in influencing the company's liquidity and earnings quality which is one of the important information available to the public and can be used by investors in assessing the company.

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THE EFFECT OF CORPORATE SOCIAL RESPONSIBILITY DISCLOSURE, GROWTH OPPORTUNITIES, AND FIRM SIZE ON EARNINGS RESPONSE COEFFICIENT IN MANUFACTURING COMPANIES LISTED ON THE INDONESIAN STOCK EXCHANGE

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ABSTRACT

This study aims to analyze the effect of corporate social responsibility disclosure, growth opportunities, and firm size on the earnings response coefficient in manufacturing companies listed on the Indonesia Stock Exchange in 2019-2021. This research is a quantitative study using panel balance data that collected using documentation techniques obtained through the website www.idx*.co.id and the official website of each company. This study used multiple linear regression panel data with the Eviews 12. There were 141 manufacturing companies with a purposive sampling technique. The results show that corporate social responsibility disclosure has a positive and significant effect on the earnings response coefficient. This indicates that increase corporate social responsibility disclosure would lead to increase the earnings respon coefficient. The growth opportunities has negative insignificant effect on the earnings response coefficient and firm size has positive insignificant on the earnings response coefficient. The negative coefficient implies that higher growth opportunity lead to decreases earnings respon coefficient*
Keywords**:** *corporate social responsibility disclosure, growth opportunities, firm size and earnings response coefficient*

INTRODUCTION

Profit is the most important element in a company, profit shows the level of success of the company. The higher the profit, the more the company will develop. Profit also has deficiencies or weaknesses from various factors such as manipulation of data from the actual state of the company or vice versa so that clear information is needed through profit response using the Earning Response Coefficient (ERC)or profit response coefficient.

ERC is a measure of the rate of abnormal market return (abnormal return) of securities in response to the unexpected component of earnings (unexpected earnings) reported by the company to issue the securities (Scott, 2015). Earnings response coefficient aims to identify and explain differences in market response to earnings information. According to Teoh & Wong (1993), the ERC is a measure of the extent to which new earnings information is capitalized in stock prices. Regression between stock prices and accounting profit is the essence of ERC, with Cumulative Abnormal Return (CAR) used as a proxy for stock prices, while Unexpected Earning (EU) is a proxy for accounting profit (Awawdeh, Sakini, & Nour, 2020).

PT Kertas Tjiwi Kimia Tbk (TKIM), which had just released its 2022 financial report. The paper manufacturing company affiliated with the Sinar Mas Group recorded a decrease in net profit of 1% from 1,145,831,250,000 in in 2021 to 1,130,560,000,000 in 2022. The decrease in net profit was minimal. TKIM succeeded in making efficiency from an operational standpoint which was also shown by a decrease in total operating expenses by 5%. The increase in general and administrative expenses by 12% was offset by a decrease in selling expenses by 12%. Even though TKIM experienced a decrease in profits but this did not affect the share price, TKIM was observed to have experienced an increase in TKIM's share price from IDR 6,400/unit to IDR 7,150/unit so that there was an increase of almost 12%. Quoted from (Jakarta, CNBC Indonesia)

PT Astra International Tbk in 2020 experienced an increase in profit, from 2019, namely 13,528,000,000 to 15,364,000,000. This was not followed by an increase in the company's share price, in 2019 the share price of PT Astra International Tbk was valued at 6,925, while in 2020 the share price actually decreased, namely 6,025. So it can be concluded that a decrease in profits is not always followed by a decrease in stock prices and vice versa, an increase in profits is not always followed by an increase in stock prices. If you compare the stock price with the profit earned, you will get a number (coefficient) known as ERC. Problems regarding the increase and decrease in stock prices in the capital market make investors conduct stock price analysis to choose which stocks can produce the best return and the lowest risk for investment, therefore a tool is needed to measure the rise and fall of stock prices, namely ERC.

Corporate Social Responsibility (CSR) Disclosure aims to explain the various social impacts caused by companies on society (Adisusilo, 2011). Susetyo (2020) and Randhy (2021) revealed that CSR disclosure has a positive and significant effect on ERC. Meanwhile, Darmawan (2022) CSR Disclosure has insignificant effect on ERC, Growth Opportunities are company growth that shows the company's opportunities through market assessment in maintaining its economic condition in the future. According to Rahmat (2015) in Indryati (2018), the growth or failure of a company can be seen from the high and low margins, profits, and sales of a company.

High Growth Opportunities will have a high ERC. Because companies can easily withdraw capital to get profits or increase profits in the future. Research by Oktavia and Yanti (2022) shows that Growth Opportunities affect the ERC. However, research by Okalesa et al (2022) shows that Growth Opportunities have no effect on ERC

Firm size is a measure or amount of assets owned by a company to show the performance of a company in managing its total assets. In Sari & Rokhmania (2020) it is explained that firm size can be measured by total assets, total sales, and average sales. Firm size is a comparison between the size of the company that can show what risks are faced and influence the market in decision making. Large companies have more information than small companies. Large companies easily get large amounts of external capital than small companies, so that investors are more interested in investing in these companies.

LITERATURE REVIEW

Earning Respon Coeficient (ERC)

ERC shows the magnitude of abnormal stock returns in response to unexpected earnings reported by companies that issue these shares, in other words ERC is the effect of unexpected earnings on cumulative abnormal returns, which is shown through the slope coefficient in the regression of abnormal stock returns with unexpected earnings (Elviani et al. ., 2022). Estimates of changes in stock prices that occur as a result of the company's profit announcements are entered into market information. The low ERC value indicates that earnings are less informative for investors for decision making.

Corporate Social Responsibility (CSR) Disclosure

CSR is a business commitment to contribute to sustainable economic development, through cooperation with employees and their representatives, their families, the local community and the general public to improve the quality of life in a way that is beneficial for the business itself and for development. (Safingil Anam & Aris Susetyo 2020).

Ha1: Corporate Social Responsibility has a significant positive effect on ERC

Growth Opportunities

Growth Opportunities are a reflection of a company. Growth that occurs in a company will have a positive impact on several parties, both internal and external. The company's high growth reflects the wider reach of the company. High company growth shows good company performance, because there is an increase in company assets, equity, profits, and sales, this is very good for the company's future development.

H2: Growth Opportunities have a significant positive effect on ERC

Firm Size

Company size is the scale of the company seen from the company's total assets at the end of the year. The bigger the company, it will be the center of attention. Larger companies are more likely to notice better performance, because they are likely to be subject to tighter public scrutiny, and thus need to respond more openly to investor requests. The size of the company is related to the quality of earnings, because the larger the size of a company's business continuity, the higher the company's ability to improve its performance.

H3: Company size has a significant positive effect on ERC.

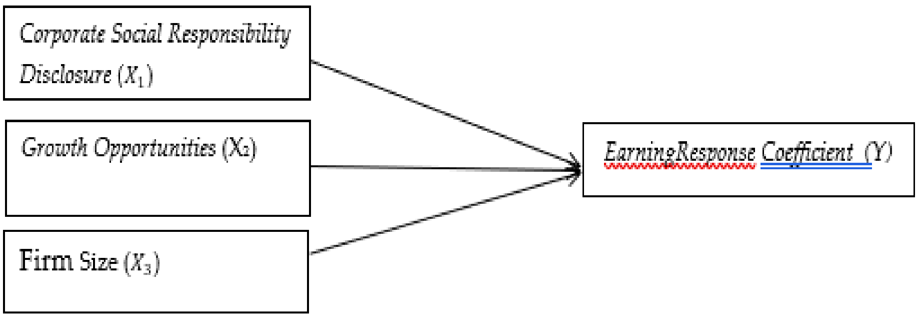

Figure 1:Conceptual Framework

RESEARCH METHODS

This research is a quantitative research with research objects namely CSR Disclosure, Growth Opportunities, and Company Size and ERC. Data in the form of financial reports obtained through internet media with the website www.idx.co.id, data on daily stock prices and daily JCI which are available on www.finance.yahoo.com. The population in this study are all manufacturing companies listed on the Indonesia Stock Exchange (IDX) for the 2019-2021 period. The sampling frame is: Manufacturing companies that publish annual reports consecutively in the 2019-2020 period, earn successive profits during the 2019-2021 period and have complete data related to research variables. Based on the sampling frame, the total population is 47 companies for 3 years so that the total observations are 141. Data collection techniques use the documentation method.

The data analysis technique used panel data regression analysis which was processed using eviews 10 software.

Table 1: Variable Operationalization

Variabel	Indikator
EarningResponse Coefficient	$R_{it} \frac{P_t - P_{t-1}}{P_{t-1}}$ $RM_{it} \frac{\mathrm{IHSG}_t - IHSG_t}{\mathrm{IHSG}_{t-1}}$ ARit = Rit –Rmt CARit = CARit(−3, +3) = $\sum_{t=-3}^{+3} ARit$ UEit $= \frac{EPS_t - EPS_{t-1}}{EPS_{t-1}}$ CARi(t-3,t+3) = α + β UEit + Ɛ
Corporate Social Responsibility Disclosure	$CSRIj = \frac{\sum Xij}{nj}$
Growth Opportunities	MBR = $\frac{market\ value}{book\ value\ of\ equity}$
Firm Size	Firm Size = $Ln(Total\ Aset)$

RESULT

Table 2:
Statistic Descriftif

	X1	X2	X3	Y
Mean	-1.150445	-1.899386	3.360219	-1.857371
Median	-1.109660	-1.731171	3.352839	-1.942941
Maximum	-0.579035	0.886365	3.511382	17.75930
Minimum	-1.945911	-8.715644	3.063846	-8.734106
Std. Dev.	0.280654	1.604066	0.063174	2.885553
Skewness	-0.369204	-0.692015	-0.460823	2.281997
Kurtosis	2.743020	4.026779	5.705984	17.40576

Table 3: Model section using chow test and Hausman Test

Test	Prob.
Chow	0,0062
Hausman	0,3528

Table 3 shows p -Value on Chow test 0,0062<0,05 and Hausman Test 0,3528>0,05, so the best model is Random Effect Model (REM)

Tabel 4 Random Effect Model (REM)

Variabel	Coefficient	Signifikansi
C	-0,107	0,737
Corporate Social Responsibility Disclosure (X1)	0.967	0.000
Growth Opportunities (X2)	-0.006	0.107
Company Size (X3)	0.020	0.831
R^2	0,954	
Adjusted R^2	0,952	
F statistic	828.9152	
Prob.		0,0000

Based on Table 4. the results of calculations from the random effect estimation regression test, the panel data regression model is:

Y= -0.107+ 0.967 (X1) -0.006(X2) + 0.020(X3)

DISCUSSION

Effect of Corporate Social Responsibility Disclosure on ERC

The results of the study concluded that CSR disclosure has a positive and significant effect on ERC. This shows that the high level of corporate social responsibility disclosure has an effect on the high level of ERC. They assume that companies that issue CSR Disclosures will provide benefits in the future in prioritizing the welfare of society and nature. Thus, companies that have good performance through CSR disclosure will receive an active response from investors through increasing stock prices. This has an impact on high profits thereby affecting the increase in ERC.

The results of this study are in line with the research of Lely & Della (2018) and Tangke & Randhy (2021). This information allows estimation of the profit prospects that the company can generate in the future, so that investors can make decisions to become shareholders. This will result in an increase in share prices due to high market demand.

Effect of Growth Opportunities on ERC

The results of the study concluded that Growth Opportunities had no significant negative effect on ERC. Companies that have high growth opportunities usually have low dividend yields, because companies that have high growth opportunities require high funds to develop the company's operations with fixed asset investment. Thus the profit earned by the company will be used to finance the company's growth rather than being distributed to shareholders to avoid underinvestment problems, namely not carrying out all investment projects that are positive for the company.

The results of this study are in line with the research of Iskak, (2020) and Okalesa et al., (2022). This proves that investors do not see expectations for growth opportunities in manufacturing companies listed on the Indonesia Stock Exchange in 2019-2021, so it can be concluded that investors are more interested in companies that get profits or capital gains quickly.

Effect of Firm Size on ERC

The firm size will not affect the response of investors to earnings. Investors have the notion that the size of the company has the potential to have a high level of business risk when the company generates large profits. Large companies may have a high amount of debt to finance the company's operations. If the ERC value is positive, it indicates that the investor response is increasing towards profit information, whereas if the ERC value is negative, it indicates that the investor response is decreasing towards company profit information. So that investors think that large companies cannot always provide large profits and vice versa, small companies do not rule out the possibility of providing high profits for their investors. The results of this study are in line with the research of Santioso et al (2020) and Dewi (2020). This shows that firm size is not an important consideration for investors in making decisions, but investors are more concerned with the rate of return that will be given in the future.

CONCLUSION

Based on the results of the research and discussion described above, the authors draw the following conclusions The CSR Disclosure variable has a positive and significant effect on ERC. This means that if CSR Disclosure increases, it will increase ERC significantly. Growth Opportunities variable has no significant negative effect on ERC. This means that if the Growth Opportunities increase, the ERC will not be significantly reduced The variable company size has no significant positive effect on ERC. This means that if the size of the company increases, it will increase ERC not significantly.

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THE IMPACT OF PSAK 71 ON THE REPORTING OF FINANCIAL INSTRUMENTS IN BANKING COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE

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ABSTRACT

This study is intended to determine how big the impact of PSAK71 71 on financial instrument reporting in banking companies listed on the Indonesia Stock Exchange. In this study, the sample taken was 29 banking companies on the IDX that have implemented PSAK 71. The collection technique used in this study is to collect documentation from the results of financial statements listed on the Indonesia Stock Exchange. The data analysis method used in this research is using simple linear regression analysis. The results of this study indicate that PSAK 71 is able to influence the reporting of financial instruments in banking companies listed on the Indonesia Stock Exchange. It is hoped that this research can be used as input in understanding the impact of financial reporting on PSAK 71 financial instruments in banking companies listed on the Indonesia Stock Exchange.
Keywords: PSAK 71, Financial Instrumen Reporting

INTRODUCTION

The banking industry is one of the main industries in the modern economy. One of the determining factors is the health of the banking industry, whether it is good or bad for a country's economy. In this case, accounting plays an important role in informing various matters related to the health of the bank, one of which is the quality of the bank's financial reports. The banking industry is one of the main industries in the modern economy. One of the determining factors is the health of the banking industry, whether it is good or bad for a country's economy. In this case, accounting plays an important role in informing various matters related to the health of the bank, one of which is the quality of the bank's financial reports.

Financial reporting is a source of information that communicates the financial condition of the company's operating results in a certain period to various interested parties, both internal and external parties. One component of financial reporting is a financial report consisting of a balance sheet, income statement, statement of changes in equity, and statement of cash flows (Hery, 2014). Meanwhile, according to the Statement of Indonesian Accounting Standards (PSAK) No. 1 paragraph 10 (IAI, 2012) states that the purpose of financial reports is to provide information regarding the financial position, performance and changes in the financial position of a company that useful to a wide range of users in making economic decisions. Financial statements are prepared with the aim of providing financial information of a company to interested parties as a consideration in making economic decisions. Therefore, the reliability of financial reports is very important because it concerns the decision-making process. For this reason, the presentation of financial reports must follow applicable standards in order to create consistency, relevance and uniformity so that they can be compared with the financial reports of other companies (Witjaksono, 2018).

In Indonesia, there are four pillars of accounting standards that have been prepared by the Financial Accounting Standards Board of the Indonesian Institute of Accountants (DSAK IAI), namely, Statements of Financial Accounting Standards (PSAK), Financial Accounting Standards for Entities Without Significant Public Accountability (SAK-ETAP), Sharia Accounting Standards 'ah (SAK Syariah), and Government Accounting Standards (SAP). PSAK is used as the main pillar in preparing the company's financial statements. PSAK must be applied to entities with public accountability such as issuers, public companies, banking, insurance, and BUMN (Widodo,2013).

The banking industry is one of the industries that has a significant influence on economic conditions in a country. One of these influences is through the formation of Adequacy Allowance for Allowances (CKPN) which is regulated by Financial Accounting Standards (SAK), namely PSAK 55 Financial Instruments. The behavior of forming CKPN also has an impact on fluctuations in bank profits. When in good economic conditions. (boom), bank profits are high along with the formation of low CKPN. Meanwhile, in deteriorating economic conditions (burst), it is not uncommon for banks to record losses due to the high formation of CKPN. This was done by banks because of the increase in non-performing loans amid slowing economic growth. This event is known as the Procyclical Effect (Widodo, 2013).

Based on these problems, the Financial Accounting Standards Board (DSAK) has decided to apply PSAK 71 concerning Financial Instruments to replace PSAK 55 effective January 1, 2020. PSAK 71 is an adaptation of IFRS 9 which replaces IAS 39. Banks as entities that have the characteristics of financial assets are assets that the most dominant on the balance sheet is certainly one of the industries that has felt a direct impact on the change in Financial Accounting Standards. The biggest asset of a bank is channeling funds in the form of credit. There are various forms of variations in the form of credit. This is a challenge for an accountant in terms of recording and presenting it in accordance with the applicable Financial Accounting Standards. Application of PSAK 71 has an impact on accounting treatment in the aspect of recognition and presentation. This impact is caused by differences in methods or approaches in terms of determining credit quality information, where PSAK 55 uses the Loss Incurred Method (LIM) approach while PSAK 71 uses the Expected Credit Loss (ECL) approach (Witjaksono, 2018). The application of PSAK 71 is of course not without reason. This is because PSAK 71 has several benefits. The benefits of implementing PSAK 71 are, firstly, it can control credit distribution that goes beyond the normal during the expansion period. This is because new credit distribution must be accompanied by the formation of credit reserves.

Second, strengthen the resilience of banks during deteriorating economic conditions (burst). Bank capital will increase along with the formation of credit reserves. Third, mitigating the occurrence of a credit crunch in deteriorating economic conditions. Banks still have room to continue providing credit to the real sector so that economic growth is maintained, or at least it can withstand a slowdown in economic growth. Finally, smoothing profits so that profit fluctuations are minimal. When profits are low, banks form low credit reserves. Conversely, when profits are high, the reserves formed are also high (Ardhienius, 2017).

The current phenomenon is known that the application of PSAK 71 is predicted to reduce banking profits in Indonesia, the application of the PSAK 71 system is a replacement from PSAK 55, this means that there is a difference in performance between PSAK 55 and PSAK 71. In the implementation of the previous PSAK 55 where PSAK 55 uses the loss incurred method approach while PSAK 71 uses *the expected credit loss.* In implementing PSAK 71

Financial Instruments are considered easy and help banks overcome risk crises. This is because the Allowance for Impairment Losses (CKPN) for each bank will differ from one bank to another because it is caused by the different *leverage coverage ratio (LCR)* between banks, besides that profits will be increasingly depressed and affect bank capital. The application of the PSAK 71 system will provide greater risks for banks and other financial institutions. Where the potential risk that will be faced is the potential for a decrease in shareholder value or a decrease in capital ranging from 2% -3%. Not only that, after the PSAK 71 system is officially implemented, the value of liquidity, margins, revenue growth, pricing, including product and volume will also be affected (Kurniawan, 2019).

Preliminary observations in this study note that there is a negative impact on financial reporting on PSAK 71 instruments in banking companies in Indonesia, the main impact occurs on the company's liquidity value. Liquidity is a ratio used to measure a company's ability to meet short-term financial obligations. The liquidity ratio used in this study is the cash ratio. *The cash ratio or (cash ratio)* within the company should be able to settle the company's debts through available cash.

If the liquidity in the banking company runs well, then the application of PSAK 71 Financial Instruments can increase the company's net profit. Because the application of PSAK 71 also has a positive value for the future of banking companies if it is implemented properly, the application of PSAK 71 can help banks overcome crisis conditions that can occur at any time.

Based on the problems above, the researcher is interested in conducting research with the title "The Impact of PSAK 71 on Reporting of Financial Instruments in Banking Companies Listed on the Indonesia Stock Exchange". The reason for choosing the object in this study is because PSAK 71 is a revision of PSAK 55 regarding financial instruments, where PSAK 71 is an adaptation of IFRS 9 which replaces banking companies and lending companies which are one of the industries that feel a direct impact on changes in applicable accounting standards. . The impact of applying PSAK 71 to credit accounting treatment with different methodologies or approaches in determining credit information, where PSAK 55 uses the loss incurred method approach while PSAK 71 uses expected credit loss.

Agency theory

Agency theory is a theory that explains the relationship between *principals* or owners of capital and agents or management (Sari, 2017). *Agency theory* explains that agents tend to act according to their interests and ignore the interests of the principal (Hamdani, 2016). This is the basis for the difference in the information held by the agent and the principal, where the agent has more control over the information owned than the principal because the agent is directly involved in every activity of the entity, a situation like this is called information asymmetry. There are differences that arise because both of them have different interests which are called *conflict of interest*. The emergence of this *conflict of interest* is due to the opportunistic behavior of the two. This difference raises *agency costs* caused by conservative behavior by principals as a control for agent performance in carrying out their responsibilities. Conflicts between agents and principals can be minimized by controlling and *monitoring* mechanisms that can minimize gaps due to differences in interests between the two, namely by implementing *good governance*.

Agency theory assumes that each individual (principal and agent) is motivated by self-interest so that conflict arises. The principal has the motivation to enter into a contract with the aim of prospering himself, while the agent is motivated to maximize the fulfillment of his economic and psychological needs (Hutahuruk, 2019).

Statement of Financial Accounting Standards (PSAK) 71 states that "the purpose of financial statements is to provide information about the financial position, performance and cash flows of a company that is beneficial to the majority of report users in order to make economic decisions and demonstrate management's responsibility for the use of financial resources. power entrusted to them".

THEORETICAL BASIS

Definition of Accounting

Accounting can be interpreted as an information system that provides reports to stakeholders regarding economic activity and company conditions. According to Kieso (2010: 2) defines accounting as a system with input data / information and output in the form of information and financial reports that are useful for internal and external users of the entity. As a system, accounting consists of inputs, namely transactions, processes, namely activities to summarize transactions, and outputs in the form of financial reports.

According to Sujarweni (2015: 3) accounting is a process and transaction as evidenced by an invoice, then from the transaction a journal, ledger, balance sheet is made, then it will produce information in the form of financial reports that are used by certain parties.

According to Pulungan, et al (2013: 1) accounting is the process of identifying, recording and communicating the economic events of an organization to interested parties. According to Belkaoui (2011: 50) accounting is an art of recording, classifying, and summarizing in a way that is significant and units of currency, transactions and events which at least some of them have a financial nature. Meanwhile, according to Kasim and Ilat, (2016: 547) accounting can be defined as an information system that provides reports to users of accounting information or to parties who have interests (stakeholders) on the performance results and the company's financial condition. Accounting is a sequence of activities for recording, classifying, summarizing and presenting in a certain way financial transactions that occur within a company or organization and the interpretation of the results. The conclusion that can be drawn, accounting is an information system that contains a sequence of activities for recording, classifying, summarizing and presenting in a certain way financial transactions that occur within a company or organization as well as interpretation of the results that provide reports to users of accounting information or to other parties. who have an interest (stakeholders) in the performance results and financial condition of the company.

According to Sujarweni (2015: 3) parties who use financial reports include:

1. The company's management where financial reports can be used for decision making

2. Company owners, the function of financial reports is used to tell the company's condition from a financial perspective
3. Investors and shareholders, here investors usually look at financial reports to make stock investment decisions
4. Creditors or debtors usually look at the health of the company from the financial statements to decide whether the company is creditworthy or not
5. The government has an interest in collecting taxes based on existing financial reports
6. Employees need accounting information to determine the profitability and accountability of the company where they work.

From the definition above, it can be concluded that accounting is a service activity consisting of the process of measuring, recognizing, recording and reporting financial transactions of an economic entity. The main objective is to present quantitative financial information that is financial in nature, and useful for parties who need it as one of the considerations for management in making business business decisions.

Accounting System

The accounting system is a collection of elements, namely forms, journals, ledgers, ledgers and financial reports that will be used by management to achieve company goals. According to Mulyadi (2013: 3) Accounting systems are organizations, forms, records, and reports that are coordinated in such a way as to provide financial information needed by management to facilitate company management.

According to Sujarweni (2015: 3-4) the accounting system consists of input in the form of transactions recorded in a form (input) then processed (by journalizing, making ledgers, making subsidiary ledgers) and the final result (output) is in the form of financial reports used by management For achieve company goals. According to Suhardianto and Kalanjati (2016) an accounting system is a method and procedure for collecting, classifying, summarizing and reporting company financial and operational information.

According to Puspita and Anggadani (2011: 58) the accounting system is a collection of elements, namely forms, journals, ledgers, subsidiary books and financial reports that will be used by management to achieve company goals. Meanwhile, according to Dun (2008: 102) the accounting system is a system that produces information for parties outside the company such as capital, creditors and other third parties. From some of the definitions above, it can be concluded that the accounting system is made to provide financial information needed by the management of a company to facilitate company management.

Elements of the Accounting System

As previously explained, that the accounting system has several elements. According to Mulyadi (2010: 3) there are five main elements in the accounting system, namely:

Form

Forms are documents used to record transactions. Forms are often referred to as documents because with this form the events that occur in the organization are recorded on paper.

Journal

Journals are the first accounting records used to record, classify, and summarize financial and other data

Ledger

The ledger (general ledger) consists of accounts that are used to summarize financial data that has been previously recorded in a journal. The accounts are provided in accordance with the elements of information to be presented in the financial statements.

Helper's Book

The subsidiary ledger consists of subsidiary accounts detailing the financial data listed in certain accounts in the general ledger.

Financial Reports

The end result of the accounting process is a financial report which can be in the form of a profit/loss report, a report on changes in capital, a report on cost of production, and others.

According to Sujarweni (2015: 4) the accounting system has 5 main elements in its recording, namely forms, journals, ledgers, subsidiary books and financial reports.

1. Form
   Forms are documents used to record economic transactions in a company. Documents can be written on a piece of paper to document an economic transaction. Forms are important documents in the company so they must be stored properly. Forms can be hardcopy or softcopy. If the form is in hardcopy, it is usually stored on a shelf or cupboard. If the form is in softcopy, it is stored on the computer.
2. Journal
   The journal is a record of debits and credits originating from forms. In this journal, for the first time, financial data is classified into accounts and entered as a debit or credit.
3. Ledger
   The ledger (general ledger) is the accounts that are grouped and based on the accounts that have been grouped earlier, the sum of the money values is carried out.
4. Helper's Book
   The subsidiary ledger is used to help detail the accounts in the general ledger. This ledger consists of subsidiary accounts detailing the financial data listed in certain accounts in the general ledger.
5. Financial Reports
   Financial statements are the end result of the accounting process, financial reports consist of balance sheets, profit and loss statements which are used by companies to make decisions to achieve company goals. Reports can be in the form of computer printouts and displays on a computer monitor screen. The balance sheet shows the company's wealth in a certain period. Profit and loss shows the company's profit or loss earned during a certain period.

Definition of PSAK 71 Financial Instruments

PSAK 71 is an adaptation of *Financial Reporting Standards* 9 (IFRS9) which replaces International Accounting Standard 39 (IAS 39) banks and lending companies are one of the industries that feel the direct impact of changes in applicable accounting standards. Effective January 1, 2020. This PSAK replaces PSAK 55 "Financial Instruments: Recognition and Measurement" and brings significant changes to: (1) classification and measurement; (2) impairment; and (3) hedge accounting (Ilat et al, 2020).

Statement of Financial Accounting Standards (PSAK) 71 provides guidance on the recognition and measurement of financial instruments. This standard, which refers to the International Financial Reporting Standard (IFRS) 9, will replace the previously applicable PSAK 55. PSAK 71 Financial Instruments: Recognition and Measurement. On initial recognition an entity recognizes a financial asset or a financial liability in the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of that instrument. Exposure Draft (2016) derecognizing financial assets in consolidated financial statements applies consolidation provisions, financial assets to a consolidation level.

1) The entity determines whether derecognition applies to a part, whole, group of similar assets.
2) The entity disposes of a financial asset, if and only when the contractual rights to the flows originating from the financial asset expire or the entity transfers the financial asset.
3) An entity transfers a financial asset if, and only if it transfers the contractual rights to receive cash flows from the financial asset or retains the contractual rights to receive cash flows from the financial asset but also assumes a contractual obligation to pay the received cash flows to one or more recipients through an agreement that meets the requirements.

The application of PSAK 71 Financial Instruments begins on January 1, 2020 and financial institutions such as banks and finance companies must apply this accounting standard. Calculation of reserves for financial assets based on PSAK 71 uses the expected credit loss model (Expected Credit Loss/ECL) in which the entity must calculate the loss reserves not only from past data but also future data.

Realizing that the corona pandemic can have a significant impact on business in Indonesia, OJK issued a relaxation for banks regarding credit quality assessment and problem debt restructuring (PO OJK NO 11/2020). With this relaxation, it is hoped that business entities can survive longer in the face of the business downturn due to the corona pandemic. Calculation of reserves in accordance with PSAK 71 must consider whether a financial asset (in this case a loan extended to a customer) experiences a significant increase in credit risk.

PSAK 71 modeling carried out in early 2020 may not take into account the impact of the corona pandemic (as well as government relaxation regulations) into the reserve model. CAS Unpad recommends that companies, especially financial institutions that have been significantly affected by the implementation of PSAK 71, also consider the facts that have developed in the last three months.

PSAK 71 adopted International Financial Reporting Standards (IFRS) 9 replacing PSAK 55 which was adopted from International Accounting Standard (IAS) 39. The most striking difference between PSAK 71 and PSAK 55, namely the calculation of Allowance for Impairment Losses (CKPN). In the banking context, CKPN is a reserve prepared by banks to face the risk of impairment losses on assets such as credit and securities. For every banking asset, for example lending, there is a risk of impairment loss due to the debtor's inability to repay the loan. PSAK 71 requires companies to provide reserves from the beginning of the crediting period. Measurement of the calculation of the Allowance for Impairment Losses (CKPN) is:

ECL = *Probability of Default* (PD) x *Loss Given Default* (LGD) x *Exposure at Default* (EAD)

Sumber: Ikatan Bankir Indonesia (2019).

Allowance for losses for 12 months expected credit losses is multiplying the amount of contracted payable cash flows (Principal + interest) with PD (probability of default) and LGD (loss given default) and discounting the resulting amount using an effective interest rate of 1 year.

Definition of Financial Instrument Reporting

Financial statements are one source of financial information about a company's financial position whether the company's finances are in good condition or vice versa. The information in this financial report can assist interested parties as a consideration in decision making.

Financial reports according to the Indonesian Institute of Accountants (2015) in Financial Accounting Standards (SAK) No. 1 stated that financial reports are part of the process of financial reporting and financial reports are a structured presentation of the financial position and financial performance of an entity. Complete financial statements usually include a balance sheet, income statement, statement of changes in financial position (which can be presented in a variety of ways, for example, as a statement of cash flows, or a statement of flows of funds), notes and other reports and explanatory material that are an integral part of the financial statements.

The purpose of financial reports according to Hans (2016: 126) is to provide information about the financial position, financial performance, and cash flows of entities that are useful for most users of financial statements in making economic decisions. Financial reports are also a manifestation of management's responsibility for the use of resources entrusted to them in managing an entity. Thus the financial statements are not intended for special purposes, for example in the context of liquidating entities or determining the fair value of entities for mergers and acquisitions purposes. Nor is it specially prepared to fulfill the interests of a particular party, for example the majority owner. Owners are holders of instruments classified as equity. According to Kasmir (2016: 11) the purpose of making or preparing financial reports is:

1. Provide information about the type and amount of assets (assets) currently owned by the company.
2. Provide information about the type and amount of liabilities and capital owned by the company at this time.
3. Provide information about the type and amount of income earned in a certain period.
4. Provide information about the total costs and types of costs incurred by the company in a certain period.
5. Provide information about changes that occur to assets, liabilities and company capital
6. Provide information about the performance of company management in a period.
7. Provide information about the notes to the financial statements.
8. Other financial information

According to the Indonesian Institute of Accountants (2012: 3) the purpose of financial reports is: to provide information concerning the financial

position, performance, and changes in the financial position of a company that is beneficial to a large number of users in making economic decisions. Meanwhile, according to Fahmi (2011: 28), the main objectives of financial reports are: To provide financial information that includes changes in the elements of financial statements addressed to other parties who have an interest in assessing the financial performance of the company in addition to the company's management. Financial ratio analysis of financial statements will describe or produce a judgment on the good or bad condition or financial position of the company, and aims to determine how effective and efficient management policies are in managing the company's finances every year. The financial ratios used in this study use the liquidity ratio and can be explained as follows:
Assessments can be carried out for several periods so that the development of the company's liquidity can be seen from time to time.
The types of liquidity ratios are as follows:

1. The current ratio according to Kasmir (2012: 134) is as follows: The current ratio is a ratio to measure a company's ability to pay short-term obligations or debts that are due soon when billed as a whole. In other words, how much current assets are available to cover short-term liabilities or debts that are due soon. The formula for finding the current ratio can be used as follows:
$$\text{Current Ratio} = \frac{\text{Current asset}}{\text{Current Liabilities}}$$
2. Cash Ratio according to Kasmir (2012: 136) is as follows: Cash ratio or (cash ratio) is a tool used to measure how much cash is available to pay debts. The availability of cash can be demonstrated by the availability of cash or cash equivalents such as a current account or savings account at a bank (which can be withdrawn at any time). It can be said that this ratio shows the company's real ability to pay its short-term debts. Formula for to find the cash ratio or cash ratio can be used as follows:
$$\text{Cash Ratio} = \frac{\text{Cash + Bank}}{\text{Current Liabilities}}$$
3. Quick Ratio according to Kasmir (2012: 138) is as follows: Quick ratio or very smooth ratio or acid test ratio is a ratio that shows a company's ability to meet or pay current liabilities or debt (short-term debt) with current assets without taking into account inventory value. This means ignoring the inventory value, by deducting it from the total current assets. This is done because inventory is considered to require a relatively longer time to be cashed out, if the company needs fast funds to pay its obligations compared to other current assets. Formula for to find the quick ratio (quick ratio) can be used as follows:
$$\text{Quick Ratio} = \frac{\text{Current Asset} - \text{Inventory}}{\text{Current Liabilities}}$$
4. Cash Turnover Ratio according to Kasmir (2012: 140) is as follows: The cash turnover ratio serves to measure the level of adequacy of a company's working capital needed to pay bills and finance sales. This means that this ratio is used to measure the level of cash availability to pay bills (debt) and costs related to sales. To find working capital, subtract current assets from current liabilities. Working capital in this sense is said to be the net working capital owned by the company. Meanwhile, gross working capital or working capital alone is the amount of current assets. The formula used to find the cash turnover ratio is as follows following:
$$\text{Cash turnover ratio} = \frac{\text{Net sales}}{\text{working capital}}$$

Based on the above understanding, it can be concluded that the liquidity ratio used in this study is the cash ratio. Where the cash ratio is able to measure how much cash is available to pay debts within the company.

PREVIOUS RESEARCH

The basis or reference in the form of theories or findings through the results of various previous studies is very necessary and can be used as supporting data. One of the supporting data which, according to researchers, needs to be made into a separate section is previous research that is relevant to the problems being discussed in this study. In this case, the focus of previous research used as a reference is related to the problem of the regional financial management system, the implementation of regional financial accounting and the function of regional financial supervision. Therefore, researchers carried out a study step of several research results in the form of theses and journals via the internet.
The previous studies used in this study are:

Table 2.1: Previous Research

No.	Researscher's name	Variabel	Research Methods	Research Result
1	Veronica Illat, Harijanto Sabijono, Sintje Rondonuwu (2020)/ Evaluation of the Application of PSAK 71 regarding Financial Instruments at PT. Manado Ventura North Sumatra facility	Evaluation Application of PSAK 71 Regarding Financial Instruments	Kualitatif	Research result show that: 1. The difference between PSAK 55 and PSAK 71 is according to PSAK 55 Allowance for provision for reserves arises if an event occurs which causes it to be recognized as default but in PSAK 71 Allowance for Impairment Loss at the beginning of the period is recognized; 2. Differences in the method of forming CKPN where PSAK 55 uses the LIM Loss Incurred Method while PSAK 71 using ECL Expected Credit Loss; And 3. Application of PSAK 71 at PT Sarana Sulut Ventura starting in 2020 which finalization in the December report 2020 but for impact concretely that is in the magnitude of the CKPN value which becomes larger.
2	Armanto Witjaksono (2017)/ Impact of ED PSAK 71 Financial Instruments Against Credit-Related Banking Accounting Guidelines	1) PSAKED 71 Instrumnts Finance 2) Credit Related Banking Accountig Guidelines	Kualitatif	Research result show that At the end of the year 2016, the Financial Accounting Standards Board issued Exposure Draft PSAK 71 to replace PSAK 55 Financial Instruments, which are planned to be effective as of January 1, 2019. Financial instruments in the form of credit are the main assets on the balance sheets of Commercial Banks and Rural Banks, so changes in accounting standards will definitely have an impact on accounting treatment.

3	Suroso (2017)/ Application of PSAK 71 and its Impact on Banks' Minimum Capital Adequacy Requirements	1) Application PSAK 71 and Impact 2) Bank's Minimum Capital Adequacy Requirement	Kualitatif	Application of PSAK 71 In addition to being useful in presenting relevant and useful information for users of financial statements to make an assessment of the amount, timing and uncertainty of the entity's future cash flows, it also has animpact. negative is good to Enhancement Loss Reserves Impairment (CKPN) and KPMM/CAR.
4	Sabil, Muhammad Qadaruddin dan Amin Setio Lestiningsih (2018)/ Pengaruh Penerapan PSAK Konvergensi IFRS Terhadap Laporan Keuangan	Application PSAK Convergence IFRS Variable Bound: Report Finance	Kuantitatif	Research result show that as is application of PSAK IFRS Convergence there is a difference significant to treatment fixed assets. There is the simulation done against one of the Banks National Private BOOK Category 2, application of PSAK 71 it delivers increase impact Allowance for impairment at an average average 55.68%, while against KPMM/CAR, application of PSAK 71 it delivers reduction impact Average KPMM/CAR average 0.28%.
				Consider enough impact especially big associated with capital, then Banks need prepare application of PSAK 71 well through preparation step good from that aspect strategy technical Nor any differences this is the result as is that treatment different in terms revaluation/ assessment return fixed assets.
5	Siti Rahmi Amir and Treesje Runtu (2014)/ Analysis Application PSAK about Presentation Report Finance at PT. Bank of North Sulawesi, tbk (Persero)	Application PSAK Presentation Report Finance	Kualitatif	Research result show that PT. Bank Sulut Tbk (Persero) already fully apply PSAK No.1 starting from position report financials, reports profit and loss comprehen sive, change report equity, cash flow statement cash and top notes financial statements. Bank Mana gement North Sulawesi is better still maintain report generation that finance in accordance with the Accounting Standards The finance happens, and always Renew every new rule applicable especially about report presentation finance

Source: Ilat dkk (2020); Witjaksono (2017); Suroso (2017); Sabil and Lestiningsih (2018); Amir dan Runtu (2014).

CONCEPTUAL FRAMEWORK

Based on the background and literature review above, the conceptual framework used in this study is:

t test

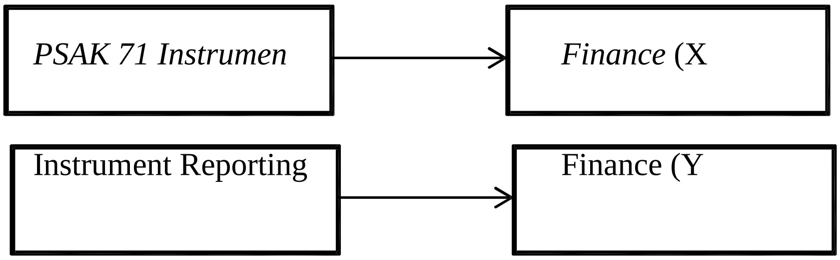


Figure 1 : Conceptual Framework

RESEARCH HYPOTHESIS

The hypothesis in this study are:

H0 = There is no effect of PSAK 71 on the reporting of Financial Instruments in banking companies listed on the Indonesia Stock Exchange

H1 = There is an effect of PSAK 71 on the reporting of Financial Instruments in banking companies listed on the Indonesia Stock Exchange

RESEARCH OBJECTS AND LOCATIONS

This research was conducted at banking companies listed on the Indonesia Stock Exchange. The object of this research is the Impact of PSAK 71 on Reporting of Financial Instruments in Banking Companies Listed on the Indonesia Stock Exchange.

Population

According to Sugiyono (2016) population is "a generalization area consisting of objects/subjects that have certain cultural characteristics set by researchers to study and then draw conclusions". According to Silaen (2018) "Population is the entirety of objects or individuals who have certain characteristics (traits) to be studied. The population is also called the universe (universe) which means the whole, can be animate or inanimate objects. Meanwhile, according to Sudaryono (2018) population is an area consisting of objects or subjects that have certain qualities and characteristics determined by researchers to be studied and then drawn conclusions. So that the population in this study is the entire number of banking companies as many as 41 banking companies listed on the Indonesia Stock Exchange

Sample

According to Sugiyono (2016) a sample is a portion of the population involved in a study. The sampling technique is using Purposive Sampling technique. According to Silaen (2018) A sample is a portion of the population that will be taken in a certain way to measure and observe its characteristics, then conclusions are drawn about these characteristics considered to represent the population. Meanwhile, according to Ghozali (2018), the sample is part of the number and characteristics possessed by the population. According to Sugiyono (2016) Purposive Sampling is a sampling technique used by researchers if researchers have certain considerations in sampling or sampling is based on certain objectives. The research sample criteria used in this study are:

1. Banking companies listed on the Indonesia Stock Exchange in 2021
2. Conventional banking companies registered during the year period 2020-2021
3. Banking companies registered during the 2020-2021 period

Based on the criteria above, the number of samples in this study can be presented in Table 3.1 below:

Table 3.1: Sampling Criteria

No	sample criteria	Amount
1	Banking companies listed on the IDX during the 2020-2021	41
2	Sharia banking company registered at IDX for the 2020-2021	(1)
3	Companies that are not listed during the period 2020-2021	(17)
	Amount	23
	Population size (23*2)	46 Sample

Source: idx.co.id, 2021

Based on the sample criteria used in this study, the number of banking company samples during the period 2020 to 2021 from this study was 23 companies with a total sample of 46 samples. The number of samples used in this study can be seen in Appendix II.

Data Collection Techniques

To obtain data in this study the authors chose data collection techniques, while the data collection techniques in this study were by means of documentation. Documentation is collecting all data related to this research. The documentation in this study is in the form of financial statements of banking companies listed on the Indonesia Stock Exchange for 2018-2020.

Variable Operational Definition

Before conducting an assessment in research, the author must determine operational variables, this is intended to make it easier to conduct research. According to Sugiyono (2012: 61), the definition of research variables is as follows: "Research variable is an attribute or trait or value of a person, object or activity that has certain variations determined by the researcher to be studied and then conclusions drawn.

Variable operationalization is needed to determine the types, indicators, and scale of the variables involved in the research, so that hypothesis testing can be carried out correctly in accordance with the research title regarding "The Impact of PSAK 71 on Reporting of Financial Instruments in Banking Companies Listed on the Indonesia Stock Exchange." . So the variables involved in this study are:

INDEPENDENT VARIABLE

According to Sugiyono (2012: 61), the meaning of the independent variable is as follows: "Independent (free) variable is a variable that influences or becomes the cause of the change or the emergence of the dependent variable (tied)". The independent variable (X) examined in this study is PSAK 71 Financial Instruments.

PSAK 71 is an adaptation of IFRS 9 which replaces IAS 39. Banks and lending companies are one of the industries that feel the direct impact of changes in applicable accounting standards. The PSAK 71 formula is:

$$ELC = PD \times EAD \times LGD$$

Source: Ikatan Bankir Indonesia, 2019.

Dependent Variables

According to Sugiyono (2016: 61), the meaning of the dependent variable is as follows: "The dependent variable is the variable that is affected or becomes the result, because of the independent variable." The dependent indicator in this research is financial instrument reporting. The reporting financial instrument used in this research is liquidity.

In order to obtain an overview of the variables to be examined in writing, the writer uses variable restrictions which are explained as follows:

Table 3.2: Operational Research Variables

No	Variabel Study	Variable Definitions	Indicator	Scale measuring
1.	PSAK 71 Instrument Finance (X)	PSAK 71 is adaptation of IFRS 9 which replaces IAS 39 banks and granting company loan is one industry who feel direct impact on change accounting standards applicable.	ELC = PD x EAD x LGD Source: Indonesian Bankers Association, 2019.	Ratio
2	Liquidity (Y)	According to Kasmir (2012:130) Ratio liquidity or frequent also known as the capital ratio work is the ratio used to measure how much liquid one company. Name working capital ratio is a ratio used to measure how liquid a company.	h + = Source: Kasmir (2012)	Ratio

CLASSICAL ASSUMPTION TEST

Normality Test

Normality test to test whether the dependent variable, independent variable, or both of a regression model has a normal distribution or not. A good `regression model has normal data distribution. The normality test in this study is used by looking at the normal probability plot which compares the cumulative distribution of the actual data with the cumulative distribution of normal data. A data is said to follow a normal distribution seen from the spread of data on the diagonal axis of the graph (Ghozali, 2016).

Heteroscedasticity Test

Heteroscedasticity testing is carried out to test whether a regression model occurs when there is an inequality of residual variance from one observation to another, it is called Heteroscedasticity. To see heteroscedasticity is by looking at the scatter plot graph between the predicted value of the dependent variable (ZPRED) and its residual value (SRESID). If at a point on the scatter plot a certain regular pattern forms, such as a big wave widening and then narrowing, then heteroscedasticity has occurred. If the dots spread above and below the number 0 on the Y axis without forming a certain pattern, then there is no heteroscedasticity (Ghozali, 2016).

Autocorrelation Test

This test was conducted to examine whether in a linear regression model there is a correlation between user errors in period t and errors in period t-1 (Ghozali, 2016). Autocorrelation arises because successive observations over time are related to one another. This problem arises because the residuals are not independent from one observation to another. A good regression model is a regression that is free from autocorrelation. The autocorrelation test can be performed using the Durbin-Watson (DW) test, where the test results are determined based on the Durbin-Watson (DW) value. The basis for making a decision whether there is autocorrelation using Durbin-Watson is as follows (Ghozali, 2016):

Table 3.3: Measurement Durbin-Watson

Null Hipotesis	Decision	if
There is no positive autocorrrelation	Reject	0 < DW<dL
There is no positive autocorrrelation	No decision	dL ≤ DW ≤ dU
There is no negative autocorrrelation	Reject	4 - dL < DW < 4
There is no negative autocorrrelation	No decision	4 - dU ≤ DW ≤ 4 - dL
No Autocorrelation,Either positive or negative	Not rejected	dU < DW < 4 - dU

Source : (Ghozali, 2016)

Run tests used as part of non-parametric statistics can also be used to test between residuals where there is a high correlation. If there is no correlation between the residuals, it is said that the residuals are random or random (Ghozali, 2016).

DATA ANALYSIS METHOD

To analyze the data in this study, researchers used quantitative analysis. The data obtained in the form of numbers will then be analyzed using the statistical tools Statistical Package for the Social Sciences (SPSS 21). To calculate the results of this study using a simple linear regression formula. In analyzing the research data using descriptive statistical techniques. This technique is used to measure the effect of each dependent variable. The regression equation is as follows:

$$Y = a + bX + e$$Where:

Y = Reporting of financial Instrument
a = Constant
b = Regression Coefficient
X = PSAK 71
e = *error term*

Hypothesis Testing

To see the large number of significant levels of independent variables influencing the dependent variable, the t (partial) test is used. As for the calculation of the t test with the provision that if the value of tcount is > from ttable then the hypothesis is accepted, if tcount is < from the table then the hypothesis is rejected. This means that if tcount > from ttable then there is a partial effect of PSAK 71 on reporting of financial instruments in banking companies registered in Indonesia, vice versa if tcount < ttable then there is no partial effect of PSAK 71 on reporting of financial instruments in banking companies registered in Indonesia.

History of Banking Companies in Indonesia

The Indonesia Stock Exchange divides the group of industrial companies based on the sectors they manage, consisting of: the agricultural sector, the mining sector, the basic chemical industry sector, the various industrial sectors, the consumer goods industry sector, the property sector, the infrastructure sector, the financial sector, and the trading sector investment services.

The financial sector is a group of companies that play an active role in the capital market because the financial sector is a supporter of the real sector in the Indonesian economy. The financial sector on the Indonesia Stock Exchange is divided into five sub-sectors consisting of banking, financing institutions, securities companies, insurance companies etc. The banking sub-sector is a company that is currently in great demand by investors because the yield or return on shares to be obtained is promising. Banks are known as financial institutions whose main activities are accepting demand deposits, savings and time deposits. Then banks are also known as places to borrow money (credit) for people who need it. Based on Law no. 7 of 1992 concerning banking mentions banks is a "business entity that collects and from the public in the form of savings and distribute them to the community in order to improve the standard of living of many people.

Meanwhile, according to RI Law number 10 of 1998 dated 10November 1998 concerning banking, what is meant by a bank is "a business entity that collects funds from the public in the form of savings and distributes them to the public in the form of credit and or other forms in the context of improving the standard of living of the common people".

The object in this study is banking in Indonesia which is registered at Indonesia Stock Exchange (IDX). Banking companies listed on the IDX viz there are 45 companies, and the sample used in this study is 29 conventional banking companies that apply PSAK 71, where the 29 banking companies have met the research criteria used in this study, it is intended that this research is more focused on the intended target and can provide a general picture of banking conditions in the application of PSAK 71 and see how far the influence is the current ratio in the company. The number of samples that have been analyzed in this study can be seen in table 4.1 below:

Table 4.1: Number of Samples Research

No	Company code	No	Company code
1	Bank Capital Indonesia Tbk	13	Bank Ina Perdana
2	Bank Artha Graha Internasional, Tbk	14	Bank Central Asia, Tbk
3	Bank Danamon Indonesia Tbk	15	Bank OCBC NISP Tbk
4	Bank Victoria Internasional Tbk	16	Bank Mega Tbk

5	Bank Rakyat Indonesia Tbk	17	Bank Pan Indonesia
6	Bank Rakyat Indonesia Agroniaga, Tbk	18	Bank Maybank Indonesia
7	Bank Mayapada Iternasional, Tbk	19	Bank Permata Tbk
8	Bank JTrust Indonesia Tbk	20	Bank KB Bukopin Tbk
9	Bank Tabungan Negara(persero), Tbk	21	Bank QNB Indonesia Tbk
10	Bank MNC Internasional Tbk	22	Bank BTPN Tbk
11	Bank Negara Indonesia Persero, Tbk	23	Bank CIMB Niaga Tbk
12	Bank Mandiri Persero, Tbk		

Source: www.idx.co.id, 2021

Profile of a Banking Company Listed on the Indonesia Stock Exchange

The sample profiles of banking companies listed on the Stock Exchange Indonesia is:

1. Bank Permata Tbk

On December 12, 2019, PT Astra International Tbk, Standard Chartered Bank and Bangkok Bank Public Company Limited entered into a Conditional Share Purchase Agreement ("CSPA") in connection with the plan to sell the Bank's shares by the majority shareholder, namely PT Astra International Tbk and Standard Chartered Bank , to Bangkok Bank Public Company Limited.

On October 7, 2020, the Bank has announced the Summary of Integration Plan between the Bank and Bangkok Bank Public Company Limited, Jakarta Branch, Surabaya Sub-Branch and Medan Supporting Branch ("Bangkok Bank Indonesia/BBI"). This integration is in accordance with OJK directions as stated in letter number SR-129/PB.12/2020 on 15 May 2020 regarding approval for the acquisition of the Bank by Bangkok Bank Public Company Limited ("BBL"), in which OJK asked BBL to support the consolidation policy banking in Indonesia by integrating the Bank with BBL Branch Offices in Indonesia.

2. Bank Artha Graha Internasional Tbk

PT Bank Artha Graha Internasional Tbk ("Bank") was originally established under the name PT Inter-Pacific Financial Corporation based on Deed No. 12 dated 7 September 1973 and Deed of Amendment No. 26 dated December 13, 1974 made before Bagijo, SH, substitute for Eliza Pondaag, SH, Notary in Jakarta.

The Bank started commercial operations as a non-bank financial institution in January 1975, then carried out commercial operations as a commercial bank on February 24, 1993 based on Decree of the Minister of Finance of the Republic of Indonesia No. 176/KMK.017/1993, the license was changed with the implementation of the merger of PT Bank Artha Graha into PT Bank Inter-Pacific Tbk which received an effective statement from the Capital Market and Financial Institution Supervisory Agency (Bapepam and LK) based on the Chairman's Letter Bapepam and LK No. S-769/PM/2005 dated 13 April 2005, and obtained approval from Bank Indonesia based on the Decree of the Governor of Bank Indonesia No. 7/32/KEP.GB1/2005 dated 15 June 2005 concerning Issuance of Business Merger Permits (merger) for PT. Bank Artha Graha into PT Bank Inter-Pacific Tbk.

3. Bank Mega Tbk

PT Bank Mega Tbk was established in the Republic of Indonesia under the name PT Bank Karman based on the deed of establishment no. 32 dated 15 April 1969 which was later amended by deed dated 26 November 1969 No. 47, the two deeds were drawn up before Mr. Oe Siang Djie, notary in Surabaya. The amendment has been accepted and recorded by the Minister of Justice and Human Rights of the Republic of Indonesia in Decree No. AHU- 0027549.AH.01.02

dated 3 April 2020. This change has also been registered in the Company Register under No. AHU-0063349.AH.01.11 dated April 3rd 2020. The bank started its commercial operations since 1969 in Surabaya. In 1992 the name of the Bank changed to PT Mega Bank and on the 17th January 2000 changed to PT Bank Mega Tbk. PT Mega Corpora is the parent entity of the Bank. The ultimate parent entity of the Bank is CT Corpora. In accordance with Article 3 of the Bank's articles of association, the scope of the Bank's business activities is to carry out general banking activities.

The Bank obtained a business license as a commercial bank based on the Decree of the Minister of Finance of the Republic of Indonesia No. D.15.6.5.48 dated 14 August 1969. On August 2, 2000, the Bank obtained a license to conduct business activities as a trustee from the Capital Market Supervisory Agency - Financial Institution ("BAPEPAM-LK").

4. Bank OCBC NISP Tbk

PT Bank OCBC NISP Tbk ("Bank") (formerly PT Bank NISP Tbk) was established in 1941 based on deed No. 6 dated 4 April 1941 from notary Theodoor Johan Indewey Gerlings under the name NV. Nederlandsch Indische Spaar En Bank Deposits. This deed of establishment has been registered at the District Court with No. A 42/6/9 dated 28 April 1941. At its inception, the Bank operated as a savings bank

Based on the Decree of the Deputy Governor of Bank Indonesia No.11/11/Kep.DpG/2009 dated 8 September 2009 regarding the granting of licenses for sharia business units, Bank OCBC NISP began conducting banking activities based on sharia principles on 12 October 2009. On 11 August 2016, the Bank received a principle permit from the Financial Services Authority in connection with a new activity in the form of a Custody Management Service (TRUST) with No. S-17/PB.32/2016, and on 15 August 2016 received a letter of confirmation with No. S-56/PB.32/2016.

Changes in the composition of the Board of Directors and Board of Commissioners are stated in the Deed of Statement of Resolutions of the Annual General Meeting of Shareholders of the Limited Liability Company PT Bank OCBC NISP Tbk. No. 14 dated 15 July 2020 which has been received and recorded in the Legal Entity Administration System - Ministry of Law and Human Rights of the Republic of Indonesia with No. AHU-AH.01.03- 0289968 dated 15 July 2020. The deed was made before Ashoya Notary

5. Bank Pan Indonesia

P.T. Bank Pan Indonesia Tbk (hereinafter referred to as the "Bank") was established by deed No. 85 dated August 17, 1971 from notary Juliaan Nimrod Siregar, Mangaradja, S.H. This deed of establishment was ratified by the Minister of Justice in Decree No. J.A.5/81/24 dated 19 April 1972 and announced in the State Gazette of the Republic of Indonesia No. 45 of June 6, 1972 Supplement No. 210. The Bank's articles of association have been amended several times, most recently by deed no. 42 dated May 19 2016 from Fathiah Helmi, S.H., notary in Jakarta, in connection with the adjustment of the articles of association in accordance with the Financial Services Authority Regulation No.32/POJK.04/2014 and No. 33/POJK.04/2014.

6. PT Bank Rakyat Indonesia (Persero) Tbk

The company PT Bank Rakyat Indonesia (persero) Tbk was established on December 16, 1895. PT Bank Rakyat Indonesia (persero) Tbk is located at BRI I Building, Jln. Jendral Sudirman Kav.44-46, Jakarta 10210. Until now, PT Bank Rakyat Indonesia (persero) Tbk has 19 regional offices throughout

Indonesia, 462 domestic branch offices, 1 special branch office, 603 sub-branch offices, 983 sub-branch offices cash, 5,360 BRI units, 3,178 terraces and 1 ship terrace.

7. Bank Central Asia Tbk

PT Bank Central Asia Tbk (Bank BCA) (BBCA) was established in Indonesia on August 10, 1955 which has the bank's business name "N. V". This company is an independent company in the Trade and Industry section of the Semarang Knitting Factory" which started working as a bank business from the date October 12, 1956. The BBCA head office is located at Menara BCA, Grand Indonesia, Jalan M. H. Thamrin No. 1, Jakarta 10310. PT Bank Central Asia Tbk has 985 branch offices in Indonesia and 2 overseas offices to be precise in Hong Kong and Singapore.

8. Bank Maybank Indonesia, Tbk

PT Maybank Indonesia Finance (Company) was established in the Republic of Indonesia based on notarial deed of establishment No. 163 dated 13 February 1991 made before Richardus Nangkih Sinulingga, S.H. This deed of establishment was ratified by the Minister of Justice and Human Rights of the Republic of Indonesia in his decision letter No. C2-2005.HT.01.01.TH.91 dated 5 June 1991 and announced in the State Gazette of the Republic of Indonesia No. 78 Supplement No. 4827 dated September 29, 1992.

9. PT Bank Mandiri (persero) Tbk

PT Bank Mandiri (persero) Tbk was established on 02 October 1998 and then began operating on 1 August 1999. The head office of PT Bank Mandiri (persero) Tbk is located at Jln. Jendral Gatot Subroto kav. 36-38 South Jakarta 12190. PT Bank Mandiri (persero) Tbk has 12 domestic regional offices, 76 regional offices and 1,143 sub-branch offices, 994 independent business partner offices, 244 cash office offices and 6 overseas branches located in Cayman Islands, Singapore, Hong Kong, Dili Timor Leste, Dili Timor Plaza and Shanghai (People's Republic of China). Bank Mandiri was established through a merger of PT Bank Bumi Daya (persero) (BBD), PT Bank Dagang Negara (Persero) (BDN), PT Bank Ekspor Impor Indonesia (persero) (Bank Exim) and PT Bank Pembangunan Indonesia (persero) (Bapindo).).

10. Bank MNC Internasional Tbk

PT Bank MNC Internasional Tbk was established in Indonesia under the name PT Bank Bumiputera Indonesia based on deed No. 49 dated 31 July 1989 of Notary Sri Rahayu, SH. This deed of establishment was ratified by the Minister of Justice in Decree No. C-2.7223.HT.01.01.TH.89 dated 9 August 1989 and announced in Supplement No. 1917 from the State Gazette of the Republic of Indonesia No. 75 dated 19 September 1989.

The Bank started commercial operations on January 12, 1990, in accordance with the business license granted by the Minister of Finance of the Republic of Indonesia in Decree No. 10/KMK.013/1990 dated 4 January 1990. In accordance with Bank Indonesia Decree No. 30/146/KEP/DIR dated 5 December 1997, the Bank has received approval to become a foreign exchange bank.

11. Bank CIMB Niaga

PT Bank CIMB Niaga Tbk ("Bank CIMB Niaga" or the "Bank") was established according to the laws in force in Indonesia, based on the Deed of Company Establishment No. 90 made before Raden Meester Soewandi, Notary in Jakarta on 26 September 1955 and amended by deed of the same notary No. 9 dated November 4, 1955. These deed of establishment were ratified by the

Minister of Justice of the Republic of Indonesia (now the Minister of Law and Human Rights) with Decree No. J.A.5/110/15 dated December 1, 1955 and announced in the State Gazette of the Republic of Indonesia No. 71 dated 4 September 1956, Supplement to State Gazette No. 729/1956.

Bank CIMB Niaga obtained business licenses as a commercial bank, foreign exchange bank, and a bank conducting activities based on Sharia principles respectively based on the Decree of the Minister of Finance of the Republic of Indonesia No. 249544/U.M.II dated 11 November 1955, BI Board of Directors decision letter No. 7/116/Kep/Dir/UD November 22, 1974, and the governor's decree BI No. 6/71/KEP.GBI/2004 dated 16 September 2004.

12. Bank Capital Indonesia Tbk

PT Bank Capital Indonesia Tbk ("Bank") was established based on the Deed of Establishment No. 139 dated 20 April 1989 which was later amended by Deed of Amendment No. 58 dated 3 May 1989, both made before Mrs. Siti Pertiwi Henny Shidki, S.H., Notary in Jakarta under the name PT Bank Credit Lyonnais Indonesia. The deed of establishment has been approved by the Minister of Justice of the Republic of Indonesia (now the Minister of Law and Human Rights of the Republic of Indonesia) with Decree No. C2- 4773.HT.01.01.TH.89 dated 27 May 1989 and has been announced in the News Republic of Indonesia No. 45 dated 5 June 1990, Supplement No. 1995.

The name of the Bank has been changed to PT Bank Capital Indonesia based on Notary Deed No. 1 dated 1 September 2004 made before Sri Hasmiarti, S.H., Notary in Jakarta.

13. Bank Ina Perdana tbk

Jakarta on February 9, 1990 based on Deed No. 32 the 9th February 1990 made before Winnie Hadiprodjo, S.H., substitute notary from Kartini Muljadi S.H., notary in Jakarta, which was later amended based on the Act Amendment to Deed of Establishment No. 79, dated 22 May 1990, drawn up before Kartini Muljadi, S.H., a notary in Jakarta, who approved the change of the Bank's name from PT Bank Ina to PT Bank Ina Perdana.

14. Bank Mayapada Internasional Tbk

PT Bank Mayapada Internasional Tbk was established on 7 September 1989 based on notarial deed of Edison Jingga, S.H., replacement of Misahardi Wilamarta, S.H. This Deed of Establishment was ratified by the Ministry of Justice of the Republic of Indonesia with Decree No. date C2.25.HT.01.01.TH.90 January 10, 1990 and announced in the Supplement to the State Gazette of the Republic Indonesia No. 37 dated 10 May 1994.

The Bank started commercial operations on March 16, 1990. In accordance with article 3 of the Bank's Articles of Association, the Bank operates as a commercial bank.

The bank obtained a business license as a commercial bank granted by the Ministry of Finance No. 342/KMK.013/1990 on 16 March 1990. The bank also obtained a business activity license as a foreign exchange bank based on the Decree of the Directors of Bank Indonesia No. 26/26/KEP/DIR on June 3, 1993. The Bank conducts business in the banking and other financial services sector in accordance with the applicable laws and regulations in Indonesia. The Bank's articles of association have been amended several times, with the latest amendment based on notarial deed No. 101 on July 23, 2020 from Buntario Tigris Darmawa Ng, S.H., S.E., M.H., notary in Jakarta, in connection with the aims and objectives and business activities of the Bank. The deed was approved by the Minister of Law and Human Rights of the Republic of Indonesia based on Decree

No. AHU- AH.01.03-0328171 Year 2020 dated 5 August 2020 and has been registered in the Company Register No. AHU-0127126.AH.01.11. Year 2020 the 5th August 2020.

15. Bank Victoria Internasional Tbk

PT Bank Victoria International Tbk (hereinafter referred to as Bank Victoria or the Bank), has been established for more than two decades in the national banking sector. Bank Victoria was first established under the name PT Bank Victoria based on the Limited Liability Company Deed number 71 dated October 28, 1992 made before Amrul Partomuan Pohan, SH, LLM, a notary in Jakarta. Then, PT Bank Victoria changed its name to PT Bank Victoria International based on the Deed of Correction Number 30 dated 8 June 1993. The Deed of Correction was approved by the Minister of Law and Human Rights based on Decision Letter Number: C2-4903.HT.01.01.Th.93 dated June 19 1993 and has been registered with the Registrar of the North Jakarta District Court under number: 342/Leg/1993 dated 29 June 1993. The deed of correction has been announced in the State Gazette of the Republic of Indonesia number 39 dated 15 May 1998 and Supplement number 2602.

After obtaining a license to become a Foreign Exchange Bank, the Bank targets that in the first quarter of 2017 it will carry out the operational activities of a Foreign Exchange Bank. The bank is currently trying to fulfill the application system in running a foreign exchange bank. By having activities in foreign currency, the opportunities and benefits of business activities for collecting Third Party Funds in foreign currency and foreign exchange services are quite promising.

16. Bank QNB Indonesia Tbk

PT Bank QNB Indonesia Tbk (“Bank”) was established on April 1 1913 under the name N.V Chunghwa Shangyeh Maatschappij (The Chinese Trading Company Limited) based on Deed No. 53 dated 28 April 1913 drawn up before Notary Leonard Hendrik-Willem Van Sandick and approved based on Besluit Gouverneur General of the Dutch East Indies No. 58 of July 16 1913 and published in Extra Bijvougsel der Javasche Courant No. 78 of September 30, 1913.

The Bank obtained approval to become a Perception Bank for the State Treasury based on the Decree of the Minister of Finance of the Republic of Indonesia No.S- 452/MK.03/1996 dated 16 August 1996. The Bank's Head Office is located at Revenue Tower, District 8, SCBD Lot 13, Jalan Jendral Sudirman Kavling 52-53, Jakarta. As of 30 June 2021, the Bank has 1 non-operational head office, 10 branch offices, 7 sub-branch offices and 19 ATMs throughout Indonesia. On December 31, 2020, the Bank has 1 non-operational head office, 11 branch offices, 7 sub-branch offices and 19 ATMs throughout Indonesia

17. PT Bank Rakyat Indonesia (persero) Tbk

The company PT Bank Rakyat Indonesia (persero) Tbk was established on December 16, 1895. PT Bank Rakyat Indonesia (persero) Tbk is located at BRI I Building, Jln. Jendral Sudirman Kav.44-46, Jakarta 10210. Until now, PT Bank Rakyat Indonesia (persero) Tbk has 19 regional offices throughout Indonesia, 462 domestic branch offices, 1 special branch office, 603 sub-branch offices, 983 sub-branch offices cash, 5,360 BRI units, 3,178 terraces and 1 ship terrace. Bank Rakyat Indonesia also has 2 branch offices located overseas with addresses in Cayman Islands and Singapore, 2 representative offices located in New York and Hong Kong, then has 4 subsidiaries, namely Bank Rakyat Indonesia Agroniaga Tbk (AGRO), PT Bank BRI Sharia, PT Asuransi Jiwa

Bringin Jiwa Sejahtera (Bringin Life) and BRI Remmittance Co. Ltd. Hong Kong.PT Bank Rakyat Indonesia (Persero) Tbk is part of the Government's program in the field of economy and national development in Indonesia by building businesses in financial institutions such as banks and carrying out their company's operational activities in accordance with sharia. On October 31, 2003, Bapepam-LK made a statement and conducted an Initial Public Offering of ICBP Shares (IPO) of 3,811,765,000 returns with a nominal value of 500 rupiah per share at an offering price of 875 per return.

18. Bank J Trust Indonesia Tbk

PT Bank JTrust Indonesia Tbk ("Bank") was originally established under the name PT Bank Century Intervest Corporation based on deed no. 136 of May 30 1989 made before Lina Laksmiwardhani, S.H., as a substitute for Lukman Kirana, S.H., notary in Jakarta. The deed of establishment was ratified by the Minister of Justice of the Republic of Indonesia based on Decree No. C2-6196.HT.01.01.TH'89 dated 12 July 1989 and has been announced in the State Gazette of the Republic of Indonesia No. 36 Supplement No. 1959 May 4th 1993. The bank merged or merged with other banks in 2004.

19. PT Bank Tabungan Negara (persero) Tbk

PT. State Savings Bank (Persero) Tbk has been operating since 1990 and is located in Yogyakarta. In 1990 PT. State Savings Bank (Persero) Tbk Surakarta has moved three times. In 1990 for the first time PT. State Savings Bank (Persero) Tbk Surakarta Branch Office located at Jalan Slamet Riyadi No. 282, since then PT. Savings bank Negara (Persero) Tbk is still contracting. In 1993 PT. State Savings Bank (Persero) Tbk moved to Ruko Beteng Plaza block A 11-12, Jl. Captain Mulyadi and still under contract. PT. State Savings Bank (Persero) Tbk Surakarta Branch ran until November 1997. Until finally in 1997 PT. State Savings Bank (Persero) Tbk Surakarta Branch has its own building and is no longer contracted, which is located at Jalan Slamet Riyadi No. 282 Surakarta. Moving the office of PT. State Savings Bank (Persero) Tbk since December 1997 and is still active today.

20. Bank Bukopin Tbk

PT Bank KB Bukopin Tbk (formerly PT Bank Bukopin Tbk) ("the Bank") was established in the Republic of Indonesia on July 10, 1970 under the name Bank Umum Koperasi Indonesia (abbreviated as Bukopin) which was legalized as a legal entity based on Decree of the Directorate General of Cooperatives No. 13/Dirjen/Kop/70 and registered in the General Register of the Directorate General of Cooperatives No. 8251 on the same date. The Bank started doing commercial business as a cooperative commercial bank in Indonesia since March 16, 1971 with the permission of the Minister of Finance in Decree No. Kep-078/DDK/II/3/1971 dated 16 March 1971.

The change in the name of the Indonesian Cooperative Commercial Bank (Bukopin) to Bank Bukopin was ratified at the Member Meeting of the Indonesian Cooperative Commercial Bank as outlined in letter No. 03/RA/XII/89 dated 2 January 1990.

21. Bank Danamon Indonesia tbk

PT Bank Danamon Indonesia Tbk ("Bank"), domiciled in South Jakarta, was established on 16 July 1956 based on notarial deed of Meester Raden Soedja, S.H. No. 134. This deed of establishment was ratified by the Minister of Justice of the Republic of Indonesia in Decree No.J.A.5/40/8 dated 24 April 1957 and has been announced in Supplement No.664, in the State Gazette of the Republic of Indonesia No.46 dated 7 June 1957. The bank obtained a business license as a commercial bank, foreign exchange bank, and bank conducting activities based on Sharia principles respectively based on the Decree of the Minister of Finance No.161259/U.M.II dated 30 September 1958, Decree of the Directors of Bank Indonesia (“BI”) No.21/10/ Dir/UPPS dated 5 November 1988 and Directorate of Licensing and Banking Information Letter No.3/744/DPIP/Prz dated 31 December 2001.

22. Bank BTPN Tbk

PT Bank BTPN Tbk ("BTPN" or "Bank") which is domiciled in South Jakarta was previously named PT Bank Tabungan Pensiunan Nasional based on notarial deed No. 31 dated 16 February 1985 from Notary Komar Andasasmita, S.H. This deed has been amended by notarial deed No. 12 dated July 13, 1985 from Notary Dedeh Ramdah Sukarna, S.H. The Articles of Association have been ratified by the Minister of Justice of the Republic of Indonesia with letter No. C2-4583HT01.01TH.85 dated 25 July 1985, and announced in Supplement No. 1148 State Gazette of the Republic of Indonesia No. 76 dated September 20, 1985.

The bank was granted a license to continue the banking business as a continuation of the business from the Association of Military Retired Employee Banks ("BAPEMIL") which had been operating commercially on February 16, 1959. The bank obtained a business license as a commercial bank based on Decree of the Minister of Finance of the Republic of Indonesia No. Kep-955/KM.17/1993 dated 22 March 1993 and Bank Indonesia letter No. 26/5/UPBD/PBD2/BD dated April 22, 1993. The Bank also obtained a license to run a Sharia Business Unit through Bank Indonesia letter No. 10/2/DPIP/Prz/Bd dated 17 January 2008 which has been transferred to PT Bank Tabungan Pensiunan Nasional Syariah Tbk (subsidiary of the Bank) after the separation on 14 July 2014.

23. Bank Negara Indonesia (persero) Tbk

PT. Bank Negara Indonesia (persero) Tbk was established on 5 July 1946 in Indonesia under the name of the Central Bank. In 1968 the bank company PT Bank Negara Indonesia (persero) Tbk was designated as "Bank Negara Indonesia 1946" and changed to become a state-owned commercial bank. The head office of PT Bank Negara Indonesia (persero) Tbk is located at Jln. General Sudirman Kav. 1 Jakarta. PT Bank Negara Indonesia (persero) Tbk has 169 branch offices throughout Indonesia, 911 domestic sub-branches then 729 other branches. PT Bank Negara Indonesia (Persero) Tbk also includes 5 foreign branch offices in Singapore, Hong Kong, Tokyo, London and South Korea, then 1 representative office in New York. Shareholders who own 5 percent are the Republic of Indonesia with a total percent of owners of 60 percent.

Based on the Company's Articles of Association, the activities of PT Bank Negara Indonesia (persero) are to perform in the field of financial institutions, namely banks. PT Bank Negara Indonesia (Persero) carries out its business activities beyond the performance of the bank through its branches, namely life insurance, financing, securities and financial services. Since October 28, 1996, Bapepam-LK made a statement and made an Initial Public Offering of PT Bank Negara Indonesia (persero) Series B shares to customers in the amount of 1,085,032,000 returns with a nominal value of 500 rupiah per return with an offering price of 850 rupiah per return. The return was then recorded on the Indonesia Stock Exchange (IDX) on November 25, 1996.

RESEARCH RESULTS

Descriptive Statistics

Descriptive statistics provide an overview of the research object being sampled. Explanation of data through descriptive statistics is expected to provide an initial description of the problem under study. Descriptive statistics are focused on the maximum, minimum, average (mean) and standard deviation values. Based on the results of the full descriptive statistics can be seen in Table 4.2 below:

Table 4.2: Descriptive Statistics

	N	*Range*	*Min*	*Max*	*Mean*	*Std. Deviation*
PSAK71	46	19,59	2,99	22,58	12,5880	4,77941
Likuidity	46	67,51	0,08	67,59	15,1452	18,73445
Valid N (listwise)	46					

Source: Processed data, 2021

Statistical Descriptive Analysis of Independent Variables

a. PSAK 71

Based on table 4.1 above, it can be concluded that the descriptive statistics proxied by PSAK 71 for banking companies registered in Indonesia have the smallest (minimum) value of 2.99% and the largest (maximum) value of 22.58%. The average value of PSAK 71 in banking companies registered in Indonesia shows a value of 12.5880 with a resulting standard deviation value of 4.77941. This means that PSAK 71 for banking companies registered in Indonesia has a smaller standard deviation compared to the resulting average value. So that the data that results from PSAK 71 on banking companies registered in Indonesia have a low rating level.

b. Liquidity

Liquidity results for banking companies registered in Indonesia have the smallest (minimum) value of 0.08% and the largest (maximum) value 67.59%. The average liquidity yield for banking companies registered in Indonesia for the 2020-2021 period shows a value of 15.1452 with a resulting standard deviation value of 18.73445. This means that the liquidity results have a higher standard deviation than the resulting average value. So that the data generated by the results of liquidity in banking companies registered in Indonesia are very good.

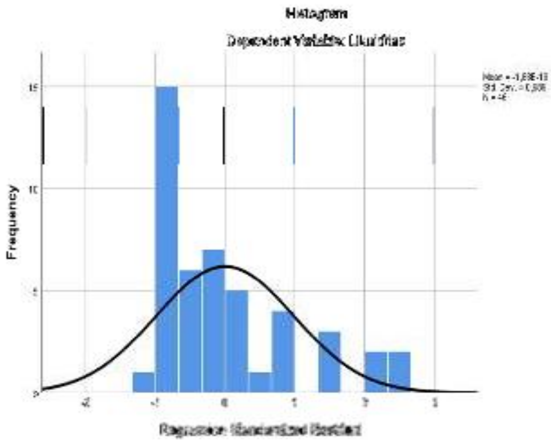
Classical Assumption Test

The classical assumption test aims to determine whether the regression obtained can produce a good and unbiased linear estimate. With regard to the classical assumption test, a regression model will produce good and unbiased estimates if it fulfills the following classical assumptions:

1. Normality Test

The normality test aims to determine the distribution of data in the variables that will be used in research. Data that is good and suitable for use in research is data that has a normal distribution. The histogram graph in the normality test can be seen in Figure 4.1 below:

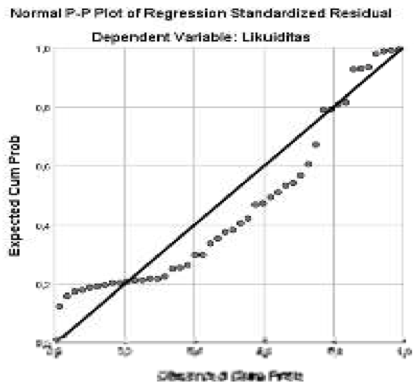
Figure 4.1: Normality Test

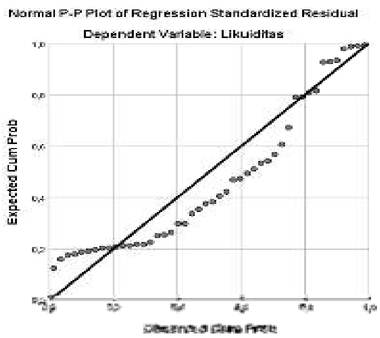


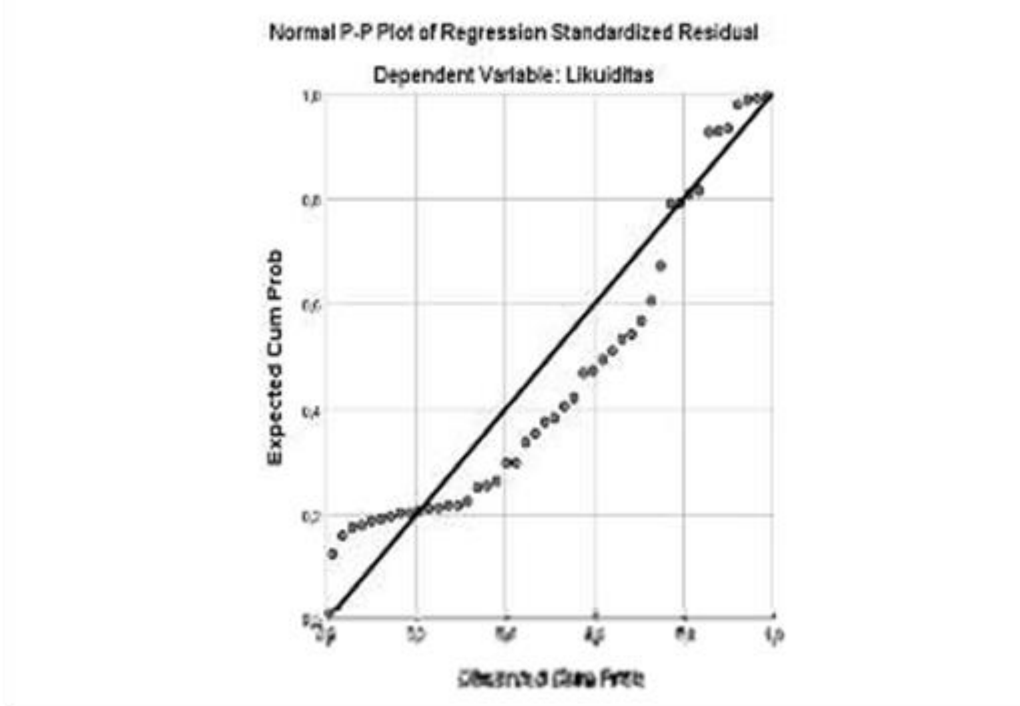
Based on the histogram graph, the residual data has shown a normal curve that forms a perfect bell. The Normality test aims to test whether in the regression model the dependent variable and independent variable both have a normal distribution or not. Then test the probability plot normality graph and can be seen in Figure 4.2 below:

Figure 4.2:Grafik P-Plot

Source: Processed Data, 2021







Source : Processed primary data, 2021

Normality test is a test about the normality of data distribution. Normality detection can be done by looking at the distribution of data (points) on the diagonal axis of the graph. If the data spreads around the diagonal line and follows the direction of the diagonal line, then the regression model meets the normality assumption. Conversely, if the data spreads away from the diagonal line and or does not follow the direction of the diagonal line, then the regression model does not meet the normality assumption.

2. Heteroscedasticity Test

The heteroscedasticity test aims to test whether in the regression model there is an inequality of variance from one observation to another (Ghozali, 2005). The way to detect it is to see whether there is a certain pattern on the Scatterplot graph between SRESID and ZPRED, where the axis Y is Y that has been predicted, and the X axis is the residual (Y predicted-Y actually) that has been standardized (Ghozali, 2005). The heteroscedasticity test produces a scatter plot graph as shown in Figure 4.3 below.

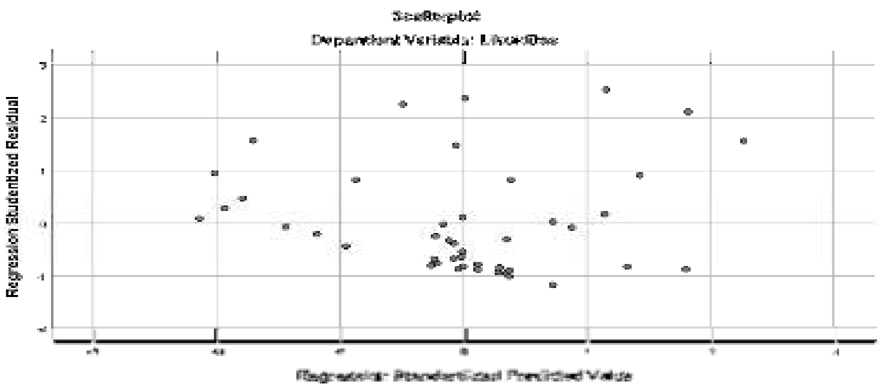


Figure 4.3:Scatterplot

Source : Processed primary data, 2021

The heteroscedasticity test is intended to detect disturbances caused by factors in the model that do not have the same variance. If the variances in the model do not have the same variance. If the variance is different, it is called homoscedasticity, the regression model is good if there is no heteroscedasticity. The heteroscedasticity test was carried out using a scatter plot. If there is no specific pattern, it indicates that the regression model is free from heteroscedasticity problems.

3. Autocorrelation Test

The autocorrelation test aims to determine whether or not there is a relationship or correlation between the interfering errors in period t and the interfering errors in the t-1 (previous) period. In this test, the researcher used the Durbin-Watson test which is seen in the following model summary table which is presented in table 4.3 below :

Table 4.3: Autocorrelation Test result

Model Summary[b]

Model	Durbin-Watson
1	1,485

a. Predictors: (Constant), *PSAK 71*
b. Dependent Variable: Likuiditas
Source : Processed primary data, 2021

Based on the tests that have been carried out, the Durbin-Watson test value is 1.485. Then these values are compared with dl and du. The dl value is the lower Durbin-Watson statistics value, while du is the upper Durbin-Watson statistics value. The values of dl and du can be seen from the Durbin-Watson table with α = 5%, n = amount of data, K = number of independent variables means n = 58 and K = 2. Then it is found that the value of dl = 1.5052 and the value of du = 1, 6475. Thus, after calculating and comparing with the Durbin-Watson table, the Durbin-Watson value in table 4.2 is 1.485. The calculation results above show that the DW-test value is in the area dU < dw < 4-dU with a DW-test value of 1.485 or between 1.5052 –1.6475 so it can be concluded that there is no autocorrelation in the regression model.

Simple Linear Regression Analysis

A simple linear regression equation model is used to explain the relationship between one dependent variable and more than one independent variable. In this study, a multiple linear regression equation model was developed to determine the effect of PSAK 71 on reporting of financial instruments (liquidity). The results of the regression equation calculated with SPSS 21.00 units are as follows:

Table 4.4: Linear Regression Analysis simple

Coefficients[a]

Model		*Unstandardized Coefficients*		*Standardized Coefficients*	*t*	*Sig.*
		B	Std. Error	Beta		
1	*(Constant)*	3,652	9,047		0,404	0,688
	PSAK71	1,645	0,625	0,369	2,633	0,012

a. Dependent Variable: Likuiditas
Source : primary data , 2021

From the results of multiple regression calculations according to table 4.4 above, the parameters for each variable are obtained as follows:
Y= 3,652+ 1,645X+e

The interpretation of the results of the equation above is as follows:
The above equation is a multiple linear regression model, it can be explained that the constant value at a number of 3.652 indicates that if the PSAK 71 variable in banking companies in Indonesia does not change, then the company value has a value of 3.652.

Based on the results of the calculation ttable =(α/2;n-k-1) which means ttable = (0.05/2;58-2-1)=0.025;55 and found the value of ttable in the distribution table is 2.004. The PSAK 71 (X) regression coefficient is 1.645. Based on the results of the regression analysis, the tcount value was 2.633 > ttable 2.004 and a significance value of 0.012 <0.05. So it can be concluded that PSAK 71 (X) has a positive and significant effect on reporting of financial instruments (liquidity) in banking companies registered in Indonesia.

Hypothesis Testing

1. Partial Test (t test)

The partial test results in this study can be seen in the following table:

Table 4.5: Partial test

Model		*t*	*Sig.*
1	*(Constant)*	0,404	0,688
	PSAK71	2,633	0,012

a. Dependent Variable: Likuiditas
Source: Processed data, 2021

Based on table 4.5 above, it can be explained that the t test is intended to find out how far the influence of one independent variable, namely PSA 71 individually in explaining the dependent variable (liquidity). The results of the regression analysis obtained can be seen in table 4.5 above, where the tcount is 2.633 > ttable 2.004 and a significance value (sig) 0.012 <0.05. Then got it is concluded that PSAK 71 has a significant effect on liquidity in banking companies registered in Indonesia in 2020-2021.

Correlation Coefficient and Determination

The results of the correlation coefficient and determination can be seen in the table 4.6 below.

Table 4.6: Model Summary[b]

Model	*R*	*R Square*	*Adjusted R Square*	*Std. Error of the Estimate*
1	0,369[a]	0,136	0,116	20,82868

Predictors: (Constant), PSAK71
Dependent Variable: Likuiditas
Source: Processed data, 2021

Based on the results of the research in table 4.4 above, it shows an R Square value of 0.369 or 36.9%. This means that changes in the reporting of financial instruments as measured by liquidity caused by PSAK 71 amounted to 0.369 or 36.9% and the remaining 63.1% was influenced by other factors outside this study. While the value of adjusted R (Adj. R2) is 0.136, meaning that 13.6% of changes in the dependent variable (liquidity) can be proven by changes in the PSAK 71 variable and the remaining 86.4% is influenced by other variables outside this study.

DISCUSSION

Based on the results of the study, it shows that PSAK has a positive and significant effect on the reporting of financial instruments in banking companies listed on the Indonesia Stock Exchange. The adoption of PSAK 71 will have an impact on financial performance reporting. One of the important points in PSAK 71 is regarding provision for impairment of financial assets in the form of loan or credit receivables. Provision for decline in financial assets or also known as Allowance for Impairment Losses in Value (CKPN) is carried out from the beginning of the credit period and applies to all categories of loans and loans whether current, doubtful or loss, this is different from the previous standard, namely PSAK 55 where in the previous standard the obligation to reserve arose after an event that resulted in a risk of default (Indrawan, 2019).

The application of this standard makes the banking industry have to prepare a larger Allowance for Impairment Losses (CKPN), but the addition of Allowance for Impairment Losses in each bank will be different because each bank has a different Liquidity Coverage Ratio (LCR). LCR is a standard in calculating bank liquidity risk which aims to ensure that banks have sufficient stock of High Quality Liquid Assets (HQLA) consisting of cash and assets (Sibarani, 2021). (expected credit loss) in the future based on various factors; including future economic projections.

Based on the research results show that the benefits of PSAK 71 with the existence of a new standard, of course, with the aim of making financial instruments even better and providing benefits to industries that use these standards. Larger reserves in the banking industry will certainly make the banking industry safer in facing times of crisis in the future. Banks can also be more careful in extending credit because the greater the credit given, the greater the CKPN that must be prepared and this will have consequences for declining profits.

However, if in the future there is a decline in profits after the implementation of PSAK 71, this will not be due to poor banking performance but due to the application of these standards and we must see this as an opportunity to invest. The banking industry will have resilience when economic conditions decline because these credit reserves will be needed when the economy declines. Even though PSAK 71 will be implemented in 2020, preparations for implementing this standard have already begun in the industrial sectors.

The results of this study are in line with research conducted by Kustina and Putra (2021) regarding the impact of implementing PSAK 71 on reporting of financial instruments, where it is known that the Bank has provided allowance for impairment losses before PSAK 71 becomes effective, even though in Larger CKPN will make the funds used to overcome the risk of loss also greater, but conversely when CKPN has decreased the funds used to cover problem loans will decrease so that there is no need for additional capital so that the bank's profit and performance will increase. better (Doddy, 2017). Now, the basis of the reserve is the expected credit loss the application of the amount or percentage differs from year to year. In the event of impairment, the impairment loss is reported as a deduction from the carrying amount of the financial assets classified as loans and receivables and recognized in the statement of profit or loss and other comprehensive income.

The results of this study are also in line with research conducted by Arifullah and Firmansyah (2021) in analyzing the application of PSAK 71 regarding financial instruments, the results of his research explain that not all companies disclose information on allowance for receivables using the new accounting standard, namely PSAK 71. the banking sub-sector is generally ready to apply PSAK 71 and subsequently the application of PSAK 71 has an impact on a decrease in capital in each company.

CLOSING

CONCLUSION

Based on the results of research on "The Impact of PSAK 71 on Reporting of Financial Instruments in Banking Companies Listed on the Indonesia Stock Exchange, the conclusions drawn in this study are:

Based on the partial results of the study, it shows that PSAK 71 has a positive and significant effect on liquidity in banking companies registered in Indonesia

Based on the results of the classical assumption test conducted in this study are:

1. The results of the normality test show that the variables in the study are normally distributed
2. The results of the heteroscedasticity test indicated that the variables in the study did not have heteroscedasticity.

Based on the autocorrelation test, it shows that the research variables are in the dU < dw < 4-dU area with a DW-test value of 2.396 or between 1.5052 – 1.6475 so it can be concluded that there is no autocorrelation in the regression model.

The results of the research based on the correlation coefficient test show the PSAK variable 71 only affects the value of 27.3% on the liquidity variable in banking companies listed on the Indonesia Stock Exchange, while based on the test of the coefficient of determination shows that the variable PSAK 71 research is only able to influence 7.5% of the liquidity of banking companies listed on the Indonesia Stock Exchange.

The adoption of PSAK 71 will have an impact on financial performance reporting. One of the important points in PSAK 71 is regarding provision for impairment of financial assets in the form of loan or credit receivables. Provision for decline in financial assets or also known as Allowance for Impairment Losses in Value (CKPN) is carried out from the beginning of the credit period and applies to all categories of loans and loans whether current, doubtful or loss, this is different from the previous standard, namely PSAK 55 whereas in the previous standard the obligation to reserve arose after an event that resulted in a risk of default.

SUGGESTIONS

Based on the conclusions from the results of this study, the suggestions given in this study are:

1. It is hoped that this research can be used as input for the impact of financial reporting on PSAK 71 financial instruments in banking companies listed on the Indonesia Stock Exchange
2. It is hoped that this research can provide development and benefits for the Indonesian government in improving financial reporting by using the application of PSAK 71 financial instruments in companies
3. It is hoped that this research will serve as a useful source of information for colleagues who are discussing the same problem, so the authors hope that further research will be better than now.

4. It is hoped that further research will provide further information regarding the advantages and disadvantages of applying PSAK 71 to financial instrument reporting in companies, especially banking companies in Indonesia.

RESEARCH LIMITATIONS

There are several limitations in conducting this research, including:

1. The research only analyzes the contents of the financial report documentation listed on the Indonesia Stock Exchange and does not conduct interviews with academics and practitioners who follow the development of the implementation of PSAK 71.

2. The number of banks analyzed was only 23 companies out of 41 banks listed on the Indonesia Stock Exchange, this is because the number of banks analyzed used financial reports for 2 years (2020-2021), therefore, this research cannot be analyzed for all companies Currently, there are 41 companies in the financial sector in Indonesia. And it is hoped that further research can use data and information from all financial sectors to compare the results of this study with this study.

3. This research is only guided by the website of the Indonesia Stock Exchange to obtain the information data needed in the research, the documentation of financial reports is uploaded from the website of the Indonesia Stock Exchange in order to find the accuracy of the data in the research.

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COMPARISON OF FINANCIAL PERFORMANCE BEFORE AND DURING THE COVID-19 PANDEMIC

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ABSTRACT

This study aims to determine differences in profitability, liquidity, and solvency before and during the covid-19 pandemic in the Restaurant, Hotel, and Tourism sub-sector companies listed on the Indonesia Stock Exchange for the 2019-2020 period. The population in this study are all sub-sector companies of Restaurant, Hotel, and Tourism which are listed on the Indonesia Stock Exchange for the period 2019-2020. Sampling using purposive sampling. Of the population, as many as 31 companies meet the criteria, and many as 30 companies. The analysis method uses a paired difference test before and during the 2019-2020 pandemic period. The results of the Wilcoxon Signed Rank Test statistical analysis showed that there was a difference between profitability and liquidity before and during the pandemic, but there was no difference in insolvency before and during the pandemic.
Keywords: *Profitability, Liquidity, Solvency, Pandemic*

INTRODUCTION

Coronavirus (Covid-19) is proof that the virus that disrupts health can cause economic instability in a country even on a global scale (Burhanuddin et al., 2020). The coronavirus outbreak has become a global pandemic. Based on *Worldometers* on July 21, 2021, the death toll reached 4.17 million people in the world.

The sector most affected by Covid-19 based on BPS data is the tourism sector. This can be seen from the number of foreign tourist visits (foreign tourists) which was recorded at only 141.3 thousand in January 2021. This means that there is still a 13.90% decrease compared to December 2020 and even a decrease of up to 89.05% compared to the same period last year. The lack of visiting tourists also has an impact on the Room Occupancy Rate (TPK) of star-classification hotels in Indonesia. Hotel TPK in Indonesia fell by 30.35% in January 2021, down 10.44 points compared to December 2020 and down 18.82 points compared to the same period the previous year. In addition, the Ministry of Tourism and Creative Economy (Kemenparekraf) revealed data on potential losses in the MICE (Meeting, Incentive, Convention, and Exhibition) sector which has hotels in it (https://finance.detik.com).

Another sector that has been affected is restaurants. Based on the survey results of the Central Indonesian Hotel and Restaurant Association (PHRI), in September 2020 of more than 9,000 restaurants in Indonesia with 4,469 respondents, it was found that there were around 1,033 restaurants that had been permanently closed due to the pandemic. Then, from October 2020 to March 2, 2021, it is estimated that around 125 to 150 restaurants are permanently closed per month. If Jakarta alone implements a weekend lockdown, then there are around 750 other restaurants that will follow (https://finance.detik.com).

In Indonesia, the coronavirus pandemic has been widespread since February-March 2020 and many companies in Indonesia will publish the company's 2019 Financial Statements (audited). According to Abdulla (1996), if the company delays publishing audited financial statements, it is likely to increase uncertainty related to the decisions that investors will make based on the information obtained from the financial statements. Because investing requires correct, accurate, and timely information to be used as material in decision-making. Uddin et. al. (2021) show an increase in stock volatility in stock markets around the world during the COVID-19 pandemic and this requires country-level policymaking and certain economic factors to reduce the increase.

At the same time, the World Health Organization (WHO) and the government are calling on people to isolate themselves and reduce gatherings and activities outside the home. Some companies also allowed their employees to work from home. All of these precautions have significantly slowed down the Indonesian economy and even the world economy.

The pandemic has also made accounting standards bodies make press releases related to the application of financial accounting standards for the process of making financial statements both from the International Financial Reporting Standards (IFRS) Board and from the Financial Accounting Standards Board-Ikatan Akuntansi Indonesia (DSAK-IAI). The Financial Services Authority (OJK) also provides policies in the form of relaxation of credit restructuring and guidance on the application of Statements of Financial Accounting Standards (PSAK) 71 and 68 as stated in POJK No.11/POJK.03/2020. This was done due to liquidity pressures due to the effects of credit restructuring due to the COVID-19 pandemic.

Financial performance analysis is an analysis carried out to see the extent to which the company has carried out and used financial application rules properly and correctly (Dr. Francis Hutabarat & Gita Puspita, 2021: 2). Evaluation of financial performance is carried out to assess the extent of the company's effectiveness in managing finances and carrying out the company's operational processes.

Profitability is the company's ability to generate profits using the resources owned by the company, such as company assets (Abdillah et al, 2019). Liquidity is the company's ability to pay short-term debt that is due, or the company's ability to fund and fulfill its obligations when billed (Kasmir 2016: 128). Solvency is the company's ability to meet all its financial obligations when the company is liquidated (Ariani & Bawono, 2018).

This research was conducted because of the inconsistencies that occurred before the Covid 19 pandemic. The purpose of the study was to determine whether there were differences in financial ratios before the pandemic and to add a period during the covid-19 pandemic which was different from previous studies. This study uses the Restaurant, Hotel, and Tourism sub-sector listed on the Indonesia Stock Exchange for the 2019-2020 period. This period can provide a more accurate current picture before and during the pandemic.

METHODS

Data Type and Source

This type of research is a comparative study with a quantitative approach. It aims to determine whether there are differences in financial ratios before and during the co-19 pandemic in the Restaurant, Hotel, and Tourism Subsector listed on the Indonesia Stock Exchange. The research data source is secondary data, namely *audited* financial statements for 2019 and 2020. The research data collection technique was obtained through the *website www.idx.co.id.*

Population and Sample

The research population uses restaurant, hotel, and tourism sub-sector companies that are still listed on the Indonesia Stock Exchange during the 2019-2020 period. The research sample was selected using *the purposive sampling* method. *Purposive sampling* according to Sugiyono (2018) is a sampling technique with certain considerations. The sample calculations based on the sample selection criteria in this study include:

Table 1: Sample Selection Criteria

No.	Sample Criteria	Total
1.	Restaurant, hotel, and tourism companies listed on the Indonesia Stock Exchange (2019 and 2020)	31
2.	The Company does not provide Financial Statements for 2019 and 2020	(1)
Number of samples studied in the research period		30

Source: IDX, 2022

ANALYSIS AND TEST METHOD

Descriptive Statistics

Descriptive statistics is a data analysis method used to determine the description of the research variables used. The presentation of descriptive statistics in this study uses the calculation of minimum, maximum, average, and standard deviation.

Normality Test

The normality test is used to determine whether the data from the research variables are normally distributed or not. This test must be done because it is the basis for further testing. The normality test uses the Kolmogorof-Smirnov Test. According to Ghozali (2018: 161), the provisions used are residuals said to be normal if the significant Kolmogorov-Smirnov value is greater than 0.05. If the significance value is less than 0.05, then the research data is not normally distributed. If the data is normally distributed, then the test performed is paired sample t-test. Meanwhile, if the data is not normally distributed, the test performed is the Wilcoxon signed-rank test.

Paired Sample t-Test

This study compares the factors that influence Audit Report Lag before and during the Covid-19 pandemic, so the test performed is the paired sample t-test. The paired sample t-test test is conducted to determine whether different treatments or conditions will give different results on average statistically. The test results (Mengkuningtyas, 2015) if the significance value> 0.05, then the data is not different, whereas if the significance value <0.05 then the data is different. The formula for finding paired sample t-test comparisons is as follows:

$$t = \frac{X_1 - X_2}{\sqrt{\frac{{S_1}^2}{n_1} + \frac{{S_2}^2}{n_2} - 2r\left(\frac{S_1}{\sqrt{n_1}}\right)\left(\frac{S_2}{\sqrt{n_2}}\right)}}$$

Description:

n_1 : Amount of data before

n_2 : Current amount of data

X_1: Average before

X_2: Average time

S_1: Standard deviation before

S_2: Standard deviation when

S_1^2: Variance before

S_2^2: Variance when
r: Correlation between before and during

Wilcoxon Signed Rank Test

Wilcoxon signed-rank test testing is carried out to determine differences in a study with different treatments or conditions. if the research data is not normally distributed. The test criteria for the *Wilcoxon signed rank test* according to Utama (Retnani, 2017) are:
The real level used is α = 5% (0.05).
If the value of Asymp. Sig. (2-tailed) is less than 0.05, then there is a difference.
If the value of Asymp. Sig. (2-tailed) is more than 0.05, then there is no difference.
The formula for finding comparisons using the *Wilcoxon signed rank test is* as follows:

$$Z = \frac{T - \frac{n(n+1)}{4}}{\sqrt{\frac{n(n+1)(2n+1)}{24}}}$$

Description:
Z: Z score of *Wilcoxon Signed Rank Test* calculation results
T: Number of positive ranks
n: Number of samples

OPERATIONAL DEFINITION OF VARIABLES
Profitability

Profitability is the company's ability to generate profits. The proxy used to measure profitability is *Return on Assets* (ROA). ROA is used as an indicator of bankruptcy because in pandemic conditions there is an economic downturn that needs to consider how the business returns or asset turnover so that its performance can be seen. The faster the asset turnover, the company can be said to be good. The following is the formula for calculating ROA according to Akingunola, et al (2018), namely:

$$ROA = \frac{Net\ Profit}{Total\ Assets} \text{x } 100\%$$

Liquidity

Liquidity is calculated by looking at the amount of short-term debt with total assets. This study uses the current ratio used in measuring the company's ability to meet its short-term obligations that will mature using total current assets. Calculation of *Current Ratio* with the formula:

$$Current\ Ratio = \frac{Current\ Assets}{Current\ Liabilities}$$

Solvency
Solvency according to Kasmir (2016) is a ratio used to measure the extent to which the company's activities are financed with debt. Solvency is the ability of

a company to pay all its debts, both short and long-term (Sastrawan & Latrini, 2016). The proxy used to measure solvency is the *Debt to Asset Ratio* (DAR). The higher the debt-*to-assets ratio,* the higher the debt the company has. DAR calculation with the following formula:

DAR $=\frac{Total\ Debt}{Total\ Assets}$x 100%

RESULTS AND DISCUSSION

Before hypothesis testing, the data is tested for normality assumptions first. Normally distributed data continues with parametric testing and if it is not normally distributed, it continues using non-parametric tests.

Normality Test

The normality test carried out is using the Kolmogorov-Smirnov test, with the criteria that if the significance value> 0.05 then the data is declared to be normally distributed and further testing uses a parametric test, otherwise if the significance value <0.05 then the data is declared not normally distributed and further testing uses a nonparametric test.

Table 2: Normality Test Results

Sig Value	Data	
	Before the Pandemic	During the Pandemic
Profitability	0,000	0,000
Liquidity	0,000	0,000
Solvency	0,200	0,200

Source: Data processed, 2022

Based on the results of the normality test in the table above, it can be seen that solvency data both before the pandemic and during the pandemic have a sig value> 0.05 so it can be stated that the data is normally distributed. Solvency data is normally distributed for further testing using the paired t-test.

The results of the normality test on profitability and liquidity data both before the pandemic and during the pandemic have a sig value <0.05 so it can be stated that the data is not normally distributed. Because profitability and liquidity data are not normally distributed for further testing using the Wilcoxon test.

HYPOTHESIS TEST

a. Profitability

The picture of profitability before the pandemic and during the pandemic can be seen as follows.

Descriptive Analysis Results

Conditions	Average	Standard Deviation
Before the Pandemic	0,0133	0,13438
During the Pandemic	-0,0737	0,12979

Source: Data processed, 2022

Based on Table 3, it is known that the average value of profitability before the pandemic was 0.0133 with a standard deviation of 0.13438. During the pandemic, the average value of profitability was -0.0737 with a standard deviation of 0.12979. The hypotheses used in this study are:

H0 : There is no difference between profitability before the pandemic and during the pandemic.

H1 : There is a difference between profitability before the pandemic and during the pandemic.

The test criterion is to reject H0 if the significance value of the test results <0.05 or accept H0 if the significance value of the test results> 0.05.

Table 3: Hypothesis Test Results

Conditions	Sig	Description
Before the Pandemic	0,000	There is a difference
During the Pandemic		

Source: Data processed, 2022

Based on the table above, it can be seen that the significance value is 0.000 <0.05, so it is stated that **H0** is **rejected,** which means that there is a significant difference in profitability before and during the pandemic.

b. Liquidity

The liquidity picture before the pandemic and during the pandemic can be seen as follows.

Table 4: Descriptive Analysis Results

Conditions	Average	Standard Deviation
Before the Pandemic	3,9793	7,631
During the Pandemic	7,0560	25,486

Source: Data processed, 2022

Based on Table 4, it is known that the average value of liquidity before the pandemic was 3.9793 with a standard deviation of 7.631. During the pandemic, the average value of liquidity was -7.0560 with a standard deviation of 25.486. The hypothesis used in this study is:

H0 : There is no difference between liquidity before the pandemic and during the pandemic.

H1 : There is a difference between liquidity before the pandemic and during the pandemic. The test criteria are to reject H0 if the significance value of the test results <0.05 or accept H0 if the significance value of the test results> 0.05.

Table 5: Hypothesis Test Results

Conditions	Sig	Description
Before the Pandemic	0,003	There is a difference
During the Pandemic		

Source: Data processed, 2022

Based on the table above, it can be seen that the significance value is 0.003 <0.05 so it is stated that **H0** is **rejected,** which means that there is a significant difference in liquidity between before the pandemic and during the pandemic.

Solvency

The picture of solvency before the pandemic and during the pandemic can be seen as follows.

Table 6: Descriptive Analysis Results

Conditions	Average	Standard Deviation
Before the Pandemic	0,3517	0,19198
During the Pandemic	0,3823	0,23751

Source: Data processed, 2022

Based on Table 6, it is known that the average value of solvency before the pandemic was 0.3517 with a standard deviation of 0.19198. During the pandemic, the average solvency value was 0.3823 with a standard deviation of 0.23751. The hypotheses used in this study are:

H0 : There is no difference between solvency before the pandemic and during the pandemic.

H1 : There is a difference between solvency before the pandemic and during the pandemic.

The test criterion is to reject H0 if the significance value of the test results <0.05 or accept H0 if the significance value of the test results> 0.05.

Table 7: Hypothesis Test Results

Conditions	Sig	Description
Before the Pandemic	0,053	No difference
During the Pandemic		

Source: Data processed, 2022

Based on the table above, it can be seen that the significance value is 0.053> 0.05 so it is stated that **H0** is **accepted,** which means that there is no significant difference in solvency before the pandemic and during the pandemic.

Differences in Profitability Before and During the Covid-19 Pandemic

Profitability reflects the ability to generate profits using the resources owned by the company. Net income used in *Return on Assets* (ROA) greatly affects the level of profitability of the company. The higher the profit the company has, the higher the resulting ratio. Vice versa, the lower the company's profit, the lower the resulting ratio. In the Restaurant, Hotel, and Tourism sub-sector companies, there are differences between profitability before the pandemic and during the pandemic. This is in line with the results of research conducted by Rahmani (2020) where ROA has a significant effect during a pandemic.

Liquidity Differences Before and During the Covid-19 Pandemic

Liquidity measures the company's ability to meet its short-term obligations that will mature using total existing current assets. In the Restaurant, Hotel, and Tourism sub-sector companies, there are differences between liquidity before the pandemic and during the pandemic. The company has not been able to manage its liquidity properly. This shows that companies take more short-term debt as a source of operational funding and experience difficulties in paying their short-term debt. This result contradicts solvency.

Solvency Differences Before and During the Covid-19 Pandemic

Solvency determines the ability of a company to pay all its debts, both short and long-term. In the Restaurant, Hotel, and Tourism sub-sector companies, there is no difference between solvency before the pandemic and during the pandemic. The existence of a policy from OJK in POJK No.11 / POJK.03 / 2020 in the form of relaxation of credit restructuring can overcome credit problems in Restaurant, Hotel, and Tourism sub-sector companies during the pandemic.

CONCLUSION

It can be concluded that there are differences in profitability and liquidity in Restaurant, Hotel, and Tourism sub-sector companies before and during the pandemic. But there is no difference in solvency before and during the pandemic. This is due to the OJK policy in POJK No.11/POJK.03/2020 in the form of relaxation of credit restructuring which can overcome credit problems in Restaurant, Hotel, and Tourism sub-sector companies during the pandemic.

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THE EFFECT OF CARBON EMISSION DISCLOSURE ON FIRM VALUE WITH FINANCAL PERFORMANCE AS AN INTERVENING VARIABLE

(Empirical Study on Mining, Infrastructure, Utilities and Transportation Companies on the Indonesia Stock Exchange for the Periode of 2019-2021)

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ABSTRACT

This study aims to determine the effect of carbon emission disclosure (CED) on firm value. Financial performance as determined by Return on Assets (ROA) is the intervening variable employed in this study. The overall score for total disclosure of carbon emissions during that time period divided by the total disclosure of carbon emissions serves as the study's independent variable. The dependent variable used in this study is firm value as measured by Tobins-Q. The mining, infrastructure, utility, and transportation industries that were listed on the Indonesia Stock Exchange between 2019 and 2021 were the subjects of this study. A total of 39 research data were included in the purposive sampling strategy that was used in this study. Multiple regression analysis with the SPSSv25 program and path analysis with the aid of an online Sobel calculator were the data analysis methods employed for this investigation. The findings of this study demonstrate that disclosure of carbon emission levels significantly increases corporate value. In addition, the impact of carbon emission disclosure on firm value cannot be mitigated by financial performance.
Keywords: *Carbon Emission Disclosure, Firm Value, Financial Performance, Return on Assets.*

INTRODUCTION

Investor evaluations of how well or poorly management has run their business are reflected in the company's evaluation. High corporate value will persuade the market to believe in both the company's potential for the future and its current level of performance. How well the company's disclosures and publications of information can be utilized to evaluate the accuracy of the data in its financial statements (Kelvin et al., 2017). Readers of annual reports can assess how seriously a corporation takes the subject of global warming by looking at how much information it discloses about its carbon emissions. Increased economic activity is the primary cause of global warming.

Organized by the UNFCCC Council in Paris, global leaders attended the Conference of Parties 21. The aim of this conference was to initiate efforts to reduce carbon emissions in the fight against climate change. The Paris Agreement was made as a result of this meeting. The Paris Agreement was signed by many countries, including Indonesia, and ratified by Law Number 16 of 2016 Concerning Ratification of the Paris Agreement.

Indonesia is the fifth-highest emitter of carbon dioxide in the world between 1850 and 2021, contributing 101.8 billion tons of CO_2, or 4% of all worldwide emissions, with a total output of 2.545 trillion tons of CO_2. According to the BP Statistical Review of World Energy (2019), Indonesia produces the fifth-largest amount of coal globally and holds the tenth-largest amount of coal reserves. According to Pandu Patria Sjahrir, General Chair of the Indonesian Coal Mining Association, the coal industry and power plants produce one-third of the total 1,263 tons of carbon (Yanwardhana, 2021

According to research (Kurnia et al., 2020), CED affects corporate value. In Indonesia, being environmentally conscious can give businesses a competitive edge and inspire investor trust. According to studies by Pande et al. (2021) and Seno & Thamrin (2020), ROA increases the value of a company. A mediator between corporate value and disclosure of carbon emissions is financial performance. Financial performance is a gauge of a company's capacity for profit-making. The ROA ratio's value will improve the company's potential for profit, which will lead to high profitability. Freeman (1984) defined stakeholders as persons or groups of individuals who have influence over or are impacted by how a firm does business. The publication of a sustainability report, namely CED, is anticipated to satisfy the information needs necessary for the company to receive support from stakeholders, which has an effect on its capacity to survive.

Spence (1973) was the first to propose signaling theory, according to which the sender sends a signal in the form of information that describes the state of the business and benefits the receiver (investor). Reducing carbon emissions and disclosing their emissions signifies reduced disclosure risk. Therefore, investors will be more interested in companies that carry out environmental disclosures at a sustainable time in order to increase stock prices and company value.

Disclosure of information can be a medium of communication between companies and stakeholders because company management knows more about business operations than other stakeholders. As investors continually evaluate related information, firms are motivated to disclose information voluntarily in order to gain access to high-quality resources (Meek et al., 1995). Nur et al. (2021) found carbon emission disclosures to have a significant effect on company value, meaning that businesses with good governance can make carbon emission disclosures which increase company value because investors consider environmental issues, especially carbon emissions. This is in line with Toly's research (2019) which found that CED has a positive impact on firm value.

H_1: Carbon emission disclosure has a positive effect on company value.

According to Iswajuni et al. (2018) stated that company value reflects the value provided by financial markets and reflects the amount invested by investors in the company. A company where stakeholders think that having a good reputation will make it easier for the company to go through market mechanisms to achieve a good financial position as well. If the company is able to balance the interests of shareholders, the company will receive continuous support, therefore it can increase market share growth, sales and profits. This explains that financial performance is a factor in increasing company value. The results of research conducted by Pande et al. (2021) and Ulfa & Fun (2018) state that financial performance has a positive impact on firm value.

$H_{2.}$: Financial performance mediates the relationship between the effect of carbon emission disclosure to company value.

RESEARCH METHOD

This study uses a quantitative research methodology. The Indonesian Stock Exchange (IDX) financial reports from business actors in the mining, infrastructure, utilities and transportation sectors for 2019-2021 were analyzed using several research variables.

Dependent Variable

In this study, firm value was measured using Tobin's Q conducted by Obradovich and Gill (2013). The formulation of the formula is as follows:

Ind $\mathbf{Q_{i,t}}$ = (*Stock Market Value + Book Value of Total Debt*) / *Book Value of Total Assets*

The disclosure elements of the Global Reporting Initiative (GRI) are used for disclosure of carbon emissions. The table below lists the components for expressing carbon emissions in this study.

Table 1
Carbon Emissions Disclosure Items

CATEGORY	ITEMS
Environment - Emissions	Disclosure of direct greenhouse gas (GHG) emissions (scope 1)
	Disclosure of energy indirect greenhouse gas (GHG) emissions (scope 2)
	Disclosure of other indirect greenhouse gas (GHG) emissions (scope 3)
	Disclosure of greenhouse gas (GHG) emission intensity
	Disclosure of Greenhouse Gas (GHG) emission reductions
	Disclosure of Emissions of Ozone Depleting Substances (BPO)
	Disclosure of nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions

Source: The Global Reporting Initiative, 2018

The index weighting formula is as follows:

$$\boxed{\textbf{Total score of entity i in period t / Maximum total score}}$$

Variabel *Intervening*

Financial performance is proxied by Return On Assets (ROA) to assess how well the company's assets can generate net income. The following is the formula for calculating ROA:

$$\text{ROA}_{i,t} = (Net\ Profit\ After\ Tax)/(Total\ Assets)$$

RESULT AND DISCUSSION

Descriptive statistics are used to characterize the sample data profile before using statistical analysis methods to test hypotheses. (Ghozali, 2018). The following table shows the descriptive statistical results of the research model variables.

Table 2
Descriptive Statistical Analysis

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
FIRM VALUE	76	,51318	1,35132	,8951384	,17250130
CED	76	,00000	,85714	,4436079	,17701959
FINANCIAL PERFORMANCE	76	-3,44%	9,15%	1,8997%	2,79543%
Valid N (listwise)	76				

Source: Processed secondary data

There are 76 observations used to obtain the value of N (amount of data analysis) based on Table 2. In addition, Table 2 presents data from each variable in the form of the average value, standard deviation, maximum and minimum values.

MODEL AND HYPOTHESIS TESTING

Regression Analysis Model 1

Table 3
T Statistical Test (Individual Parameter Significance Test)

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(constant)	0,728	0,021		34,320	0,000
	CED	0,352	0,041	0,720	8,514	0,000
	FINANCIAL PERFORMANCE	0,006	0,003	0,184	2,173	0,033
a. Dependent Variable: FIRM VALUE						

Source: Processed secondary data

Based on the table above, several results were obtained, namely the results of testing for the carbon emission disclosure (CED) variable had a t count of 8.514 with a significance profitability level of 0.000 <0.05 and a beta coefficient value of 0.352. This shows that H1 is accepted.

Table 4
Statistical Test F

ANOVA[a]						
Model		Sum of squares	df	Mean Squares	F	Sig.
1	Regression	0,281	3	0,140	36,349	0,000[b]
	Residual	0,282	73	0,004		
	Total	0,562	75			
a. Dependent Variable : FIRM VALUE						
b. Predictors: (Contants), CED, FINANCIAL PERFORMACE						

Source: Processed secondary data

The Fcount value is 36.349, and a significance value of 0.000 <0.05, according to table 4 above. Therefore, the data came to the conclusion that CED and financial performance have an effect on firm value. Based on these findings, the model meets the criteria and passes the fit test (Ghozali, 2018).

Path Analysis

Input:			Test statistic:	Std. Error:	p-value:
a	-3.214	Sobel test:	-1.76199732	0.0109444	0.07806975
b	0.006	Aroian test:	-1.71467352	0.01124646	0.0864051
s_a	0.863	Goodman test:	-1.81346895	0.01063376	0.06975952
s_b	0.003	Reset all	Calculate		

Figure 1: *Sobel Test*

The research findings show that financial performance does not act as a mediator between the impact of CED on firm value. because the t count is -1.761 which is lower than the t table of 1.96, these results indicate that the effect of CED on firm value is not mediated by financial performance, which means that H2 is rejected.
DISCUSSIO N

Based on the results of the significance test, it was found that H1 CED had a positive effect on firm value. This is in line with research by Anggraeni (2015) and Alfayards & Setiawan (2021) that management's efforts to disclose carbon emissions in annual reports are well received by investors and potential investors. Investors believe that management has the ability to control the environmental impact of business operating activities, which is why it is. Signal theory and stakeholder theory, which explain how information can be used as good news to help provide important information to stakeholders and the public, are also directly related to this.

The results of the H2 test indicate that the effect of CED on firm value is not mediated by financial performance. So that H2 is rejected. When companies disclose carbon emissions, they may not be able to improve the company's financial performance, but only help companies to reduce risks related to carbon emissions in the long term. This is in line with the stakeholder theory where CED can be used as a form of corporate information disclosure to enhance the company's positive image and as stakeholders see the company's efforts to preserve the environment.

CONCLUSIONS

Based on the results of the discussion, it can be concluded that CED has a positive effect on firm value and financial performance cannot mediate the effect of CED on firm value. The limitations of this research are the many mining, infrastructure, utilities and transportation companies that have not fully disclosed carbon emissions. As for suggestions for future researchers to be able to explore variables that have the potential to significantly influence positively on firm value, where these variables can later be used as independent variables or control variables, for example, such as environmental performance.

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THE EFFECTS OF EARNINGS PER SHARE, DEBT-TO-EQUITY RATIO, DIVIDEND PAYOUT RATIO, COMPANY GROWTH, AND PRICE-EARNINGS RATIO ON COMPANY VALUE

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ABSTRACT

This study aims to empirically test the effects of Earnings per Share, Debt-to-Equity Ratio, Dividend Payout Ratio, Company Growth, and Price-Earnings Ratio on Company Value in companies listed on the Indonesia Stock Exchange LQ45 Index. Hypothesis testing was conducted using multiple linear regression analysis. The results indicate that, partially, the Earnings per Share and Price-Earnings Ratio have a positive influence on company value, while the other variables do not significantly affect company value. Simultaneously, all independent variables positively influence the company's value.
Keywords: *Earning Per Share, Debt To Equity Ratio, Dividend Payout Ratio, Company Growth, Price Earnings Ratio, Company Value*

INTRODUCTION

In general, the main reason for forming a company is to increase the prosperity of shareholders. The way to measure the level of prosperity of shareholders is through company value. A high increase in company value is a long-term goal that should be achieved by the company which will be reflected in its market price because investors' evaluation of the company can be observed through the movement of the company's stock price that is traded on the stock exchange of companies that have gone public. Firm value can be said to be a reflection of the company's condition that has been achieved in a certain period, which is usually used by investors as an illustration of the company's performance, so it can be assumed that company value is the price that prospective buyers are willing to pay if the company is sold. In increasing the value of the company, several things need to be considered by the company.

In this study, the authors want to raise the theme of things that can affect value companies. Asset growth can affect company value with high and low profitability which can provide positive or negative signals about company growth in the future so that it can affect company value. Funding decisions can also affect the value of the company because the level of debt and equity can reflect the value of the company. Dividend policy affects the value of the company seen from the company's decision to distribute dividends, by increasing the dividend distribution, the value of the company will also increase. A high increase in corporate value will be accompanied by high shareholder prosperity. In this study, the research objects that have been determined by the author are companies listed on the LQ45 Index on the Indonesia Stock Exchange for the 2019-2021 period. According to Suriani Ginting's research (2018), LQ45 companies are the most liquid companies on the Indonesia Stock Exchange. Companies with the LQ45 index category are companies that have the highest capitalization and liquidity values. LQ45 can be an investor's appeal in measuring the company's dividend policy.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Company Value

According to Husnan and Pudjiastuti (2015), company value is the price that prospective buyers are willing to pay if the company is sold. Firm value is very important because it reflects the company's performance which can affect investors' perceptions of the company. Brigham (2014) assumes that everyone, both investors and managers have the same information about the prospects of a company. The value of the company can provide information to shareholders about the situation being faced by the company. High corporate value is the desire of company owners because with a high value it shows the prosperity of shareholders.

Earning Per Share

One indicator of a company's success is shown by the level of profit per share. In general, investors will expect benefits from their investment in the form of earnings per share (EPS). This is because EPS can describe the amount of profit earned for each common share. Meanwhile, the amount of EPS that will be distributed to stock investors depends on the company's policy in terms of dividend payments. The high EPS indicates that the company can provide a better level of welfare to shareholders. Conversely, low EPS indicates that the company has failed to provide the benefits expected by shareholders. Therefore, a stable company will show stable EPS growth, whereas an unstable company will show fluctuating growth. (Silvi Reni, 2014)

H1: Positive and significant influence of EPS on firm value

Debt to Equity Ratio

Husnan (2003) financial leverage involves the use of funds obtained at certain fixed costs with the hope of increasing the owner's share of capital. Financial leverage which will be used in this study is the debt to equity ratio (DER), which is the ratio between the total debt to the total equity owned by the company. The total debt here is the total short-term debt and the total long-term debt, while the total equity is the total equity (total paid-up capital and retained earnings) owned by the company.

H2: The positive and significant effect of DER on firm value.

Dividend Payout Ratio

The Dividend Payout Ratio is a measure of the size of dividends expressed in the form of a comparison or ratio between the amount or share of profits provided for dividends with the total profits earned by the company in a certain period and expressed as a percentage.

H3: Positive and Significant Influence of DPR on Company Value.

Company Growth

According to Harahap (2013) in Astutik (2017) the growth ratio describes the presentation of the growth of company posts from year to year. In addition, the growth of the company greatly affects the valuation of stock prices. Companies that grow well will be a positive signal for the market. This can increase the stock price, which in turn will increase the value of the company as well. Companies that grow well will be a positive signal for the market. The types of growth ratios are sales growth, net profit growth, earnings per share growth, and dividend per share growth. (Kasmir:2016)

H4: Positive and significant influence of company growth on firm value.
Price Earning Ratio

A high PER indicates a good company investment and good company growth prospects so that investors will be attracted. High demand for shares will make investors appreciate the value of shares greater than the value recorded on the company's balance sheet so that the company's PBV is high and the company's value is also high. (Hari, 2016)

H5: The positive and significant effect of PER on Firm Value

RESULT AND DISCUSSION

Table 1:Multiple Linear Regression Test Results

Coefficients

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	5.485	7.569		.725	.476
	EPS	.183	.096	.369	1.913	.068
	DER	-.046	.102	-.084	-.450	.657
	DPR	.067	.083	.153	.809	.426
	GR	.018	.022	.171	.834	.412
	PER	.217	.105	.390	2.078	.049

a. Dependent Variable: PBV

Source: SPSS Output 26, processed in 2023

Based on the results of multiple linear regression in Table 4.12 the systematic, for multiple linear regression equation is as follows:

PBV= 5.485 + 0.183 Xÿ + (-0.046) Xÿ + 0.067 Xÿ +0.018 Xÿ + 0.217 Xÿ + e

The results of the t-test are as follows:

The Earning Per Share variable with a t value of 1,913 and a significance level of 0.068 is less than 0.05, so the first hypothesis can be said that Earning Per Share partially has a positive and significant effect on firm value.

Variable Debt to Equity Ratio with a t value of -0.450 and level the significance of 0.657 is greater than 0.05, so the second hypothesis can be said that the Debt to Equity Ratio partially has a negative and not significant effect on firm value.

The dividend Payout Ratio variable with a t value of 0.809 and a level the significance of 0.426 is greater than 0.05, so the third hypothesis can be said that the Dividend Payout Ratio partially has a positive and insignificant effect on firm value.

The growth ratio variable with a t value of 0.834 and a significance level of 0.412 is greater than 0.05, so the first hypothesis can be said that the Growth Ratio partially has a positive and insignificant effect on firm value.

The variable Price Earning Ratio with a t value of 2.078 and a significance level of 0.049 is less than 0.05, so the first hypothesis can be said that the Price Earning Ratio partially has a positive and significant effect on firm value.

Tabel 2: Test Result F

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	9.469	5	1.894	2.093	.001[b]
	Residual	21.712	24	.905		
	Total	31.182	29			

a. Dependent Variable: PBV

b. Predictors: (Constant), PER, GR, DER, EPS, DPR

Source: SPSS Output 26, processed in 2023

Based on Table 2 shows an F value of 2,093 with a significance level of 0.001. the significance value is more than 0.05. So that the sixth hypothesis (H6) can be said that *Earning Per Share, Debt to Equity Ratio, Dividend Payout Ratio,* Company Growth, and *Price Earning Ratio* simultaneously have a positive and significant effect on firm value (PBV).

CONCLUSION

Based on the results of the research and discussion taken previously stated, it can be concluded from research regarding *the Effect of Earning Per Share, Debt to Equity Ratio, Dividend Payout Ratio,* Company Growth, and *Price Earning Ratio* on Firm Value in Companies Listed on the LQ45 Index of the Stock Exchange Indonesia for the 2019-2021 period are as follows:
Earning Per Share (EPS) has a positive and significant effect on company value in companies listed on the LQ45 index on the Indonesia Stock Exchange for the 2019-2021 period. The high profitability (EPS) will affect the increase in firm value. So the higher the level of profitability, the higher the value of the company.

The Debt to Equity Ratio (DER) has a negative and insignificant effect on the Company Value of companies listed on the LQ45 index of the Indonesia Stock Exchange for the 2019-2021 period. This means that the higher the level of leverage, the higher the company's risk, which in turn will reduce the stock price. A fall in stock prices can result in a decrease in Price Book Value.

The Dividend Payout Ratio (DPR) has a positive and insignificant effect on company value in companies listed on the LQ45 index on the Indonesia Stock Exchange for the 2019-2021 period. An increase in the value of dividends is not always followed by an increase in the value of the company because the value of the company is determined only by the company's ability to generate profits from the company's assets or investment policies.

Company growth has a positive and insignificant effect on the Company Value of companies listed on the LQ45 index of the Indonesia Stock Exchange for the 2019-2021 period. High company growth will also cause the costs incurred by the company to be high to increase the company's assets.

The price Earning Ratio (PER) has a positive and significant effect on the Company Value of companies listed on the LQ45 index of the Indonesia Stock Exchange for the 2019-2021 period is acceptable. The effect of stock prices on firm value is positive, meaning that the higher the stock price, the firm value will increase. the greater the investment invested by the company, the higher the profit or profit the company will get.

Earning Per Share, Debt to Equity Ratio, Dividend Payout Ratio, company growth, and Price Earning Ratio simultaneously affect the Company Value of companies listed on the LQ45 index of the Indonesia Stock Exchange for the 2019-2021 period.

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HE EFFECT OF OWNERSHIP STRUCTURE AND TAX PLANNING ON COMPANY VALUE

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ABSTRACT

Firm value is an investor's perception of a company, company value is often associated with the company's stock price. This study aims to empirically determine the effect of ownership structure (Managerial Ownership and Institutional Ownership) and Tax Planning on firm value. This study used a non-probability sampling method with a purposive sampling technique with a population of 118 companies and a sample of 38 Consumer non-cyclicals sector companies listed on the Indonesia Stock Exchange (IDX) in 2018-2022. The type of data used in this study uses secondary data in the form of company annual reports taken from www.idx.co.id and the company's website.The result of this research hypothesis are managerial ownership, institutional ownership and tax planning have not significant effects.
Keywords: *Ownership Structure, Firm Value, Managerial Ownership, Institutional Ownership*

INTRODUCTION

The company is an entity that is separate from its owners and has the main objective to achieve optimal profits for shareholders, prosper the owners of the company, and also increase the value of the company. One of them assesses the company's performance as measured by its valuation. Good company performance will have an impact on stock prices and profits which will affect the increase in stock prices. The company's share price does not always increase, but the company's share price often fluctuates. This may indicate that the company's value fluctuates as the stock price fluctuates (Sambo & Rahma Aulia, 2022).
CNBC Indonesia reported that during 2022 the composite stock index (IHSG) was lower than in 2021. The composite stock price index (IHSG) this year only grew 1.08% compared to 2021 of 10.08%, the weakening of shares was driven by the large number of stocks that weakened. The non-cyclicals consumer sector experienced a weakening of the JCI by 1.19. In the last 5 years, several companies in the Consumer Non-Cyclicals sector (Primary Consumption Goods) have experienced a decline in their share prices as seen from the company's annual closing share price.

(Dianti et al., 2022) Firm value is a reflection of shareholder perceptions of the company in relation to share prices. Prosperity of shareholders will be guaranteed when the company's value is high, so that shareholder confidence in the company's prospects will increase.

One of the factors that can determine the value of a company is the ownership structure. The ownership structure of a company can affect how the company operates which in time will affect how well it performs in achieving its goals. Managerial ownership and institutional ownership is a part of the ownership structure. the higher the proportion of managerial ownership causes management to tend to work harder for the interests of shareholders and can help the pooling of interests between shareholders and management, because management and shareholders from outside parties have the same goal, so as to reduce agency conflicts which can increase the value of the company . Research from (Yanti et al., 2023), (Alawiyah et al., 2022), (D. M. Sari & Wulandari, 2021), (Rahmadani & Wahyudi, 2021) and (Mentari & Idayati, 2021). Stating that managerial ownership has a significant effect on firm value.

Another factor is institutional ownership. With the status of a dominant shareholder, institutional ownership has the greatest impact and opportunity, resources, capacity in controlling the management of company management operations in a sustainable manner, making decisions more effective and can reduce the capacity of managers to manipulate profits opportunistically (Sinatraz & Suhartono, 2021). Research from (Adjani & Parinduru, 2022; Muzakir, 2022; Tani et al., 2022), (Bakhtiar et al., 2021) and (Rahmadani & Wahyudi, 2021) found that institutional ownership has a significant effect on firm value.

Another factor is Tax Planning. Tax planning is defined as an effort made by a corporation to reduce or limit the tax burden faced by the company that should be paid to the state so that the tax paid does not exceed the actual amount while still complying with applicable tax regulations (Gulo & Dharma, 2022). Previous research conducted by (Christiani et al., 2021; Additional et al., 2021) and (Shafirah & Ridarmelli, 2021) found results that t\tax planning has a significant effect on company value.

RESEARCH METHODS

The population in this study is the Consumer Non-Cyclicals sector which is listed on the Indonesia Stock Exchange (IDX) for the 2018-2022 period. A total of 38 companies that met the sampling criteria used the purposive sampling method. data obtained on the official website of the IDX and the company's official website.

The Value Of The Company

Firm value in this study is measured using the Tobin's Q measurement in research (Sinatraz & Suhartono, 2021)

TOBIN^' S Q=(MVD+D)/TA

Information :

MVD : Market Value of Equity

D : Book Value of Debt

TA : Book Value of Total Assets

Managerial Ownership

Managerial ownership is measured using the formula in (Akyunina & Kurnia, 2021)

Managerial Ownership = (Number of shares owned by managerial)/ (Number of outstanding shares) x 100%

Institutional Ownership

Institutional ownership is measured using the formula in (Akyunina & Kurnia, 2021) Institutional Ownership = (Number of institutional shares) / (total outstanding shares) x 100%

Tax Planning

Tax planning is measured using the Tax Retention Rate (TRR) formula stated in research (Rajab et al., 2022)

TRR = (Net income) / (pre tax income) x 100%

RESULTS AND DISCUSSION

Table 1: Variable

VARIABEL PENELITIAN	SIG	KETERANGAN	HASIL
Managerial ownership	0,332	Not significant	Rejected
Institusional ownesrship	0,560	Not significant	Rejected
Tax Planning	0,519	Not significant	Rejected

There is no effect of managerial ownership on firm value.

The test results for the managerial ownership variable show a significance of 0.335, which means that the value is greater than 0.05, so it can be concluded that managerial ownership has no effect on firm value. The results of the study show that managerial ownership has no effect on firm value because not many managers own significant shares in the company. Research is in line with (Purba, 2021), (Dianti et al., 2022)

There is no influence between institutional ownership on firm value.

The test results for the institutional ownership variable show a significance of 0.560, which means that the value is greater than 0.05, so it can be concluded that institutional ownership has no effect on firm value. In the oversight function, institutional ownership management has an important role, because the existence of ownership from institutional parties will encourage improvements in carrying out more optimal supervision, and vice versa, the lack of control or supervision of external or institutional shareholders will make companies use other parties outside the company who has no financial relationship, share ownership, and family relationship with the board of commissioners in carrying out supervision. As a result, the value of the company will decrease. research is in line with (D. M. Sari & Wulandari, 2021) and (Akyunina & Kurnia, 2021).

There is no effect between tax planning on firm value

The test results for the tax planning variable show a significant value of 0.159, meaning that the value is greater than 0.05, so it can be concluded that tax planning has no effect on firm value. This indicates that tax avoidance is viewed by investors and creditors as not reducing the value of the company. research is in line with (Rajab et al., 2022), (Angele et al., 2022), (Gulo & Dharma, 2022) and (D. N. Sari, 2022).

CONCLUSIONS

Research results There is no influence between managerial ownership variables on firm value. There is no effect of institutional ownership on company value and there is no effect of tax avoidance on company value in consumer non-cyclicals sector companies for the 2018-2022 period.

The window range and the total number of samples observed are limitations in this study. Therefore, the researcher suggests that future research is expected to use a different approach methodology and expand the research timeframe.

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THE EFFECT OF ENVIRONMENTAL, SOCIAL, AND GOVERNANCE PERFORMANCE ON INVESTOR REACTIONS.

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ABSTRACT

This study aims to determine the effect of performance, environment, social, and governance on the reaction of investors in Indonesia. The samples used in this study were 20 companies with a total of 80 observations on the Indonesia Stock Exchange during the 2018-2021 period. The data were observed using a panel data set, and the estimation method used was Generalized Least Square. As a result, it has been found that environmental performance variables have a positive effect on investor reactions because investors prefer companies that have a good environmental reputation. Additionally, social variables have a positive effect on investor reaction, because social activities such as CSR, can increase the value of the company so that investors expect increased corporate social performance. But on the other hand, governance variables have a negative effect on investor reactions, Because due to the higher proportion of independent commissioners, corporate decisions will be difficult to make. This study shows empirical evidence that ESG performance can affect investor reactions.

Keywords: *Environmental, ESG, Social, Governance, Performance, Investor Reactions*

INTRODUCTION

The United Nations (UN) is trying to realize the principles of sustainable development goals (SDGs) as an agenda for 2030 which aims to save and care for the planet and its people in the future (United Nations, 2012). Some of them are issues related to the environment (environmental), social (social), and governance (governance) or abbreviated as ESG. As part of a UN country, Indonesia is also committed to achieving the SDGs.

The implementation of SDGs in Indonesia, including the Indonesia Stock Exchange (IDX) registering as a member of the Sustainable Stock Exchanges (SSE). The goal is to be part of a global market exchange forum that wants to play an active role in safeguarding, caring for, and resolving issues related to ESG. The IDX launched a stock index that focuses on ESG namely ESG Leaders and SRI-KEHATI. The index is a movement to build sustainability principles (Indonesia Stock Exchange, 2021; Financial Prosecutor Authority, 2021). One of the ESG surveys obtained the result that the SRI-KEHATI index in Indonesia had superior performance than the LQ45 index and the JCI during January 2018 - January 2023 (PWC, 20230). This indicates that investors have considered issuers who have invested in ESG aspects. Therefore, the concept of investment began to develop by looking at ESG performance reports (non-financial reports), which initially only considered financial report information (fundamentals) and price movements. stocks through charts/charts (technical). ESG Investing becomes a new theme and complements Traditional Investing which gives investors confidence in answering and managing investor capital to become the expected return opportunity in the future.

Rytkönen and Louhiala-Salminen, 2014, stated that management received requests from investors to include ESG aspects in the company for the sake of sustainability. ESG can also affect company value and can provide a positive signal to investors about the company's willingness to have transparency and accountability (Melinda and Wardhani, 2020). The ESG concept can also assist investors in providing additional relevant company income and sustainability information to investors, so that information asymmetry does not occur (Saini et al, 2022). From a technical point of view, ESG can also provide new predictive aspects for investors in viewing volatility and stock price movements. Companies with excellent ESG performance have lower volatility and more stable stock prices in the same time period, meaning that ESG can provide stable market reactions (Zhou and Zhou, 2020).

Previous research related to ESG on investor reactions has been carried out, but the results are still mixed, Sood et al. (2022) conducted research in India, examining 3 elements of ESG, the results of which were governance and environmental criteria the most significant factors influencing individuals in making investment decisions, while social criteria proved to be the least influential. Meanwhile, in Thailand, Suttipun and Yordudom (2022) found that environmental and social disclosures had a positive impact on market reactions, while governance disclosures had a negative effect. Aybars and Zehir (2020) found that the performance of the ESG stock portfolio in Europe and Turkey did not show significant results. Tamimi and Sebastianelli (2017) assess companies that are included in the S&P 500 stock index, finding that large capitalization companies have a much higher ESG disclosure score than medium capitalization companies. In addition, there is still very limited research related to ESG disclosure and the reaction of investors in developing countries, such as Indonesia

To fill this gap, this study aims to see how Environmental, Social, and Governance Performance Influences Investor Reactions, by looking at stock transaction volume as a measure of investor reaction

RESULTS AND DISCUSSION

Based on Table 1, environmental performance has a positive effect on investor reactions. These results are in line with research conducted by Suttipun and Yordudom (2022), Zhang and Wong (2022), and Sood et. al (2022) which found that environmental performance has a positive effect on market reactions. This is because investors are starting to pay attention to the risks of the corporate environment in the era of social media. Investors prefer companies that have a good reputation in the environment such as making advanced technology that can make environmentally friendly products than companies that have a bad reputation for the environment from reprimands such as climate and emissions. Thus, investors also develop possible climate risk assessment metrics to protect pricing and hedge climate risk. Environmental performance provides a new aspect in their predictive science related to their rate of return (Engle et. al., 2020; Choi et. al., 2020; Capaso et. al., 2020; Krueger et. al., 2020; Liu and Wu, 2023; Noh and Park, 2023)

Tabel 1: t-test

Effects	t-count	Sig.	Results
ENV → TVA	2,243910	0,027750	H1 Accepted
SOC → TVA	2,381911	0,019725	H2 Accepted
GOV → TVA	-0,251424	0,802165	H3 Rejected

Based on Table 1, that social performance has a positive and significant effect on investor reactions. These results are in line with the research of Melisa and Putra (2020), Maharani (2013), Syafrullah (2017), Yoon et. al (2018), and Albuquerque et. al (2020) who get social performance has a positive effect on abnormal returns and stock prices. This is because investors prefer companies that have good CSR (Corporate Social Responsibility) disclosures. The presence of social activities can enhance the company's good reputation, thereby increasing investor interest in investing in the company. The higher the community support, the higher and better the company's value and reputation will be, so that news or news about the company will be positive. Bajic and Yurtoglu (2018) found that companies are under pressure from investors for better CSR practices. CSR can provide predictions of company value derived from the range of company practices related to the treatment of employees and stakeholder relations including relations with customers and the wider community.

Based on Table 1, the GOV variable has a negative effect on TVA, so H3 is rejected. These results are not in line with Manse's research (2022) which states that governance criteria affect stock returns. On the other hand, according to Wijaya and Setyono (2023) found that the composition of the board of independent commissioners has a negative effect on stock returns. This is because the higher the number of independent commissioners, the less effective and efficient the company's performance will be. Because the independent commissioner is only on duty for supervision. If there are more independent commissioners than the board of commissioners, decision-making will be difficult and take a long time.

CONCLUSION

Environmental damage caused by companies can disrupt the balance of natural resources and the creatures in them, including humans. Thus, the increasing environmental and social performance results in a more positive investor reaction. But on the other hand, governance has a negative impact on investor reactions. Due to the higher proportion of independent commissioners, corporate decisions will be difficult to make. Integrated disclosure of ESG performance can influence investors. Investors see ESG as a new analytical indicator that can increase their profits.

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THE EFFECT OF ROA, EPS AND DER ON STOCK PRICE IN LQ45 COMPANIES

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ABSTRACT

This study aims to determine the effect of return on assets, earnings per share, and debt to equity ratio on the stock prices of LQ45 index companies listed on the IDX in 2019-2021 partially. This study tests the hypothesis which states that there is an effect of return on assets, earnings per share, current ratio and debt to equity ratio on stock prices. The sampling technique used in this study was purposive sampling. The selected samples were 99 companies. The data collection method used is the documentation method. The data analysis technique uses multiple linear regression analysis because there is more than one independent variable. The results showed that there was an effect of ROA (Return On Assets) and EPS (Earning Per Share) on stock prices, and DER (Debt to Equity Ratio) had no effect on stock prices.
Keyword: *ROA,EPS,CR,DER and Harga Saham*

INTRODUCTION

Currently there are 629 companies that have listed their shares on the Indonesia Stock Exchange (IDX), for an investor, of course, they have to choose among the many companies that are worth investing in, one of the most popular indexes by most stock investors is the LQ45 index. The LQ45 index is a calculation that takes into account the market capitalization of 45 issuers and shares. These issuers were selected based on criteria such as liquidity and other factors. The 45th issuer in the LQ45 index is updated every six months, especially in early February to August. This indicates that the publisher will change. (www.idx.co.id)

Investors always have a special attraction to stock investment, because for investors, investing has the advantage of a difference in stock prices (capital gain) and the risk of loss in the form of a difference in stock prices (capital loss) can be triggered by stock price fluctuations caused by supply and demand in among investors in the stock market (Wibowo, 2015)

According to Hery (2015:228) Return on assets (ROA) is a proportion that shows how much the commitment of resources is in generating the previous net profit. This check can then be projected into the future to see the organization's capacity to create profits from now on.

Earning Per Share according to Hery (2015:169) The ratio known as Earnings Per Share (EPS) is used to evaluate the ability of company management to generate profits for common shareholders.

According to Hartono (2018:12) the Debt to Equity Ratio (DER) ratio shows the extent to which equity guarantees all obligations, and this ratio can be read as a comparison of the company's liabilities and equity.

Through the description above it can be formulated the formulation of the problem in this study is whether return on assets, earnings per share, and debt to equity ratio can affect stock prices. This study aims to determine whether return on assets, earnings per share, and debt to equity ratio affect stock prices.

RESEARCH METHODS

The method used in collecting data in this study is using observation techniques but indirectly. The data in this study used documentation techniques, namely by taking annual financial reports in LQ45 companies listed on the Indonesia Stock Exchange (IDX) during the 2019-2021 study of 45 LQ45 companies as the population in this study. The research sample used purposive sampling. According to (Sugiyono, 2018:85) is a sampling technique with certain considerations. Some of the criteria met in determining the research sample are:

1. LQ45 Index Companies which publish annual financial reports for 3 years of research which include comprehensive income statements, statements of financial position and stock overview for 2019-2021 for 45 companies
2. Companies that were not included in the LQ45 ranking for 3 years of research, namely 2019-2021, were 12 companies

Through the process of sorting the data with some of the criteria above, it was obtained 33 companies and a sample of 33 x 3 years, namely 99 sample companies.

RESULTS AND DISCUSSION

The data that has been processed by the researcher was reprocessed using SPSS software version 25.0 which was used to analyze data from each variable.

Normality test

The normality test aims to test whether the regression model, confounding variables or residuals have a normal distribution. If the detection is normally distributed or not, this test uses Kolmogorov-Smirnov. The normality test results can be seen in the following table:

Table 1. Data Normality Test Results using the Kolmogorov Smirnov

Kolmogorov-Smirnov Z	Asym.Sig. (2 tailed)	Information
0,073	0,200	Normal

Source: data processed by SPSS, 2023

As seen from table 2, it shows that the Kolmogorov-Smirnov test has a significance level of 0.200, which means more than 0.05 so that in this study the distribution is normal.

Heteroscedasticity Test

The heteroscedasticity test aims to test whether in a regression model there is an inequality of variance from one observation residual to another. The results of the heteroscedasticity test using the scatter plot method can be seen in the following figure:

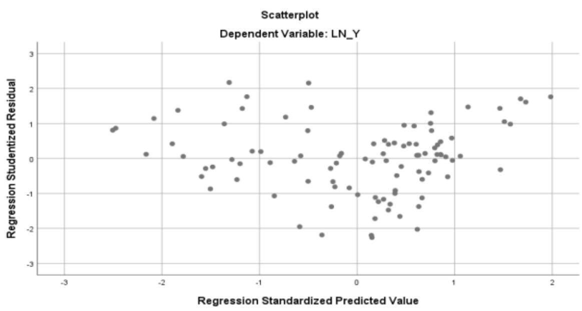

Figure 1. Heteroscedasticity Test Results

Based on the results of the Scatter Plot, the distribution of points does not form a pattern, which means that heteroscedasticity does not occur.

RESULTS OF HYPOTHESIS TEST

This study uses the t test to find out how significant the dependent variable is to the independent variable.
The results of the t test can be seen as follows:

Table 2. t test results (partial)

Variabel	T	*Sig.*	Information
(*Constant*)	3,624	0,000	
Return On Asset	2,346	0,021	Effect
Earning Per Share	14,426	0,000	Effect
Debt to Equity Ratio	-0,376	0,707	No effect

Source: data processed by SPSS, 2023

Based on the test results above that the sig value of return on assets is 0.021 and earnings per share is 0.000, it can be concluded that the two variables affect stock prices, while the debt to equity ratio is 0.707, so these results do not affect stock prices.

DISCUSSION

Return On Assets (ROA) affects stock prices

Based on the results of the t test, it shows that there is an effect of ROA on stock prices. This supports previous research by (Watung & Ilat, 2016) showing results that partially Return On Assets (ROA) has a positive effect on stock prices. This means that ROA has the company's ability to use all of its assets to generate profit after tax. The higher the profit earned will make investors interested in buying shares. This makes the demand for shares increase and eventually the company's stock price will increase.

Earning Per Share (EPS) affects the stock price

Based on the results of the t test, it shows that there is an effect of ROA on stock prices. This supports previous research by (Egam, 2017) showing results that partially Earning Per Share (EPS) has a positive effect on stock prices. The results of this study are in accordance with the theory of financial ratio analysis, which states that earnings per share is a form of giving benefits to shareholders, from each share owned (Irham Fahmi, 2017:97). The higher the level of earnings per share that the company can provide, it will provide a fairly good return and will attract investors to make even bigger investments so that it will have an impact on increasing the company's stock price.

Debt to Equity Ratio (DER) affects the stock price

Based on the results of the t test, it shows that there is no effect of DER on stock prices. The results of this study are in line with what was carried out by (Sutapa, 2018) that the debt to equity ratio has no effect on stock prices. This shows that the use of debt in the capital structure does not always have a negative impact on the share price that will be obtained by investors.

CONCLUSION

Return On Assets affect stock prices due to the profit earned by the company in accordance with the assets invested. Earning Per Share affects the stock price. Earning Per Share has an effect on stock prices due to the high profit generated by shareholders on one share owned. Debt to Equity Ratio has no effect on stock prices. DER has no effect on stock prices because during 2019-2021 the economic conditions were unstable.

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THE EFFECT OF SALES GROWTH, OPERATING CAPACITY, LIQUIDITY, AND OPERATING CASH FLOW ON FINANCIAL DISTRESS IN MANUFACTURING COMPANIES IN THE GOODS SECTOR AND CONSUMPTIONS LISTED ON THE INDONESIA STOCK EXCHANGE YEAR 2019-2021

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ABSTRACT

This study aims to examine the effect of Sales Growth, Operating Capacity, Liquidity, and Operating Cash Flow on Financial Distress in Goods and Consumer Manufacturing Companies listed on the Indonesia Stock Exchange for the 2019-2021 period. This research is a quantitative research. The data in this study is secondary data obtained from the Indonesian Stock Exchange website, namelywww.idx.co.id. The population in this study are 74 companies listed on the Indonesia Stock Exchange (IDX) for the 2019-2021 period. The sample in this study were 52 companies that met the criteria. Methods of data analysis in this study using multiple linear regression analysis. The results of this study show that Sales Growth and Operating Capacity have no significant effect on Financial Distress, while Liquidity and Operating Cash Flow have a significant negative effect on Financial Distress in Goods and Consumption Manufacturing Companies listed on the Indonesia Stock Exchange Period (2019-2021).
Keywords= Sales Growth, Operating Capacity, Liquidity, Operating Cash Flow, Financial Distress

INTRODUCTION

In the current era of globalization, it is increasingly difficult for companies to carry out their operations. Competition in promoting the goods sold is one of the many ways companies compete. Companies must use a variety of techniques to try and capture the market as a solution.

The slowdown in household consumption growth was also one of the consequences of the declining financial performance of several large companies, for example, in 2019, Unilever Indonesia Tbk (UNVR), Mayora Indah Tbk (MYOR), and Garudafood Putra Putri Jaya Tbk (GOOD). The net profit of the three issuers decreased by 4.37% for UNVR, 0.51% for MYOR, and GOOD experienced the most, reaching 19.9%. (Katadata, 2020). UNVR's profit decline was also driven by decreased sales from the food and beverage sector. The division only achieved Rp 3.1 trillion in sales, a decrease of around 8.8% compared to last year's Rp 3.4 trillion. (Katadata, 2020). In contrast to the other two issuers, MYOR and GOOD, which also experienced a decline in profits but were caused by other factors. The increase in operating expenses, which was higher than sales growth, ultimately eroded the profits of these two companies. (Katadata.co.id 2020).

Companies that experience losses, such as losses to investors and consumer confidence in companies, are not careful in making decisions amidst the uncertain economic conditions in Indonesia. Investors will withhold funds used to support the company's operational system when the company begins to lose investor confidence. As a result, the company had to be removed from the Indonesia Stock Exchange because it was approaching the stage of financial distress or a decline in financial condition that occurred before bankruptcy or liquidation, which prevented the company from continuing to operate.

THEORETICAL BASIS

Signaling theory

Signal theory (signalling theory) is a theory put forward by Ross and Firmansyah (2017). In this theory it is argued that signal theory is used to explain that financial reports are used to give positive signals (good news) or negative signals (bad news) to the wearer. This signal is in the form of information about what has been done by management to realize the wishes of the owner. Signal theory can also be used by companies (agents), principals (investors) and other parties to reduce information asymmetry by producing quality financial reports.

The quality of this information has the aim of explaining detailed information that can trigger misconceptions that arise because managers know more about internal information and the company's prospects in the future than external parties. Investors first interpret and analyze this information as a good signal (good news) or bad signal (bad news). If the information is a good signal, investors will be interested in taking further steps. And vice versa, if a bad signal is more reflected in the information produced, investors will switch and look for other companies that have better information.

Financial Difficulties (Financial Distress)

*Financial distress*is an early sign or symptom of bankruptcy indicating a worsening financial condition of a company. Irham (2013) defines If a company faces liquidity problems, most of the time, the company is in a period of financial difficulties and this situation is not resolved immediately, it can lead to bankruptcy. Meanwhile, according to (Platt & Platt, 2002) financial difficulties are at the stage of a bad financial situation or at stake, which previously experienced liquidation.

According to Mey, 2017 (in Asih Mulyani & Rina Asmeri, 2020) at this time many formulas have been developed to answer various problems regarding financial distress, because by knowing the condition of a company's financial distress from an early age it is hoped that actions can be taken to anticipate those that lead to bankruptcy. One that is considered popular and widely used in research and analysis is the Zmijewski model. Models that have been successfully developed are:

$Z = -4.3 – 4.5X1 + 5.7\ X2\ 0.004\ X3 –$

Information :

X1 = Return on Assets (ROA)

X2 = Debt to Asset Ratio (DAR)

X3 = Current Ratio (CR)

The criteria for the Zmijewski model are if:

1) $X \geq 0$, the company is predicted to experience financial distress.

2) $X < 0$, it is predicted that the company will not experience financial distress

Sales Growth

Sales growth is used to see successful investment periods in the past and predict future company sales growth (Widhiari & Merkusiwati, 2015). The sales growth itself reflects the company's ability to increase sales of the products it produces, both by increasing sales frequency and by increasing sales volume (Wulandari & Fitria, 2019).

According to Kasmir (2017, p. 107) this growth ratio can be formulated as follows:

$$\boldsymbol{Sales\ Growth} = \frac{\boldsymbol{sales}\ \textbf{tahun x} - \boldsymbol{sales}\ \textbf{tahun x1}}{\boldsymbol{sales}\ \textbf{tahun x1}}$$

Information :

Sales growth	:	Sales growth
*Sales*year x	:	Current year sales
*Sales*year x1	:	Previous year's sales

Operating Capacity

*operating capacity*is a ratio that reflects the accuracy of a company's operational capabilities. If the company manages and uses its assets efficiently, the company can make sales and earn large profits so that the company is able to avoid financial distress (Widhiari and Merkusiwati, 2015).According to Ardiyanto (2011), a relatively large increase in sales compared to an increase in assets will make this ratio higher, conversely this ratio will be lower if the increase in sales is relatively smaller than the increase in assets.

$$\textbf{perputaran total asset} = \frac{\textbf{penjualan}}{\textbf{total aset}}$$

Liquidity

The liquidity ratio is the ability of an entity to pay off the company's current liabilities by utilizing its current assets. The company's current liabilities can be in the form of debt that will mature in the near term, labor wages, debt for materials purchased, payment of electricity bills, drinking water needed in the production process, and so on. These obligations can be covered from liquid assets owned by the company. To keep the company in a liquid condition and avoid financial distress, the company must have current funds that are larger than its current liabilities (Agustini & Wirawati, 2019).

$$\boldsymbol{current\ ratio} = \frac{\textbf{aktiva lancar}}{\textbf{kewajiban lancar}}$$

Operating Cash Flow

According to Hery (2017: 88) a cash flow statement is a report that provides information regarding receipts and payments of company cash and shows changes in the position of cash values from operating, investing and financing activities as a result of transactions made by the company during a certain period. The cash flow statement is used by management to evaluate the company's operational activities and plan investment and financing activities in the future.

$$\textbf{Arus Kas Operasi} = \frac{\text{arus kas operasi}}{\text{kewajiban lancar}}$$

PREVIOUS RESEARCH

Research according to Rachmawati & Retnani (2020) concerning the Effects of Cash Flows, Sales Growth, Leverage and Financial Distress with Profitability as a Moderating Variable (Empirical Study on Food and Beverage Coverage of the Food Register 2016-2020) ". The results of this study are cash flow has a significant positive effect on financial distress while sales growth and leverage have a significant negative effect on financial distress. The results of the

Moderating Regression Analyze test show that profitability weakens the influence of cash flow, sales growth and leverage on financial distress.

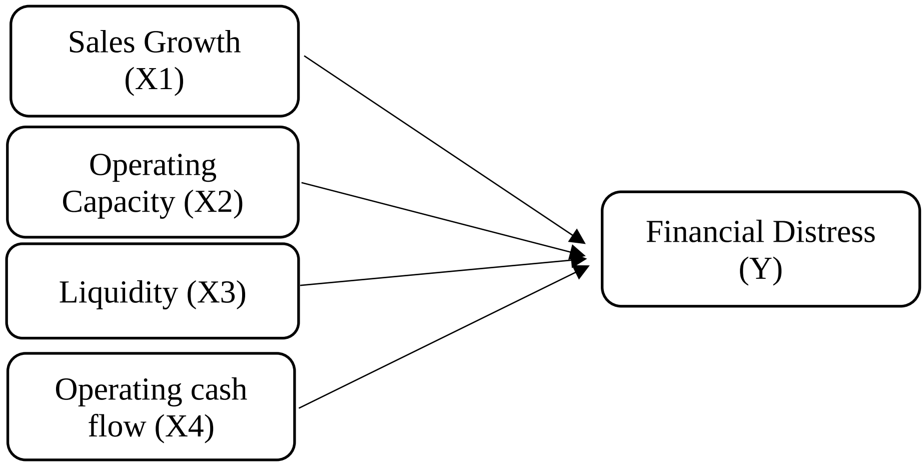

Figure 1: RESEARCH MODEL

METHODS

This study uses quantitative methods, secondary data types. The population in this study are 74 manufacturing companies in the goods and consumption sector which are listed on the Indonesian Stock Exchange in 2019-2021. In this study, a purposive sampling technique was used with the following criteria: companies that were listed consecutively in the year of study, companies that published complete financial statements in the year of study and companies that used the rupiah currency so that 52 sample companies were obtained with a total of 156 observations (52 x 3 years). The data analysis technique used in this study is Multiple Linear Regression Analysis.

RESULTS AND DISCUSSION

Effect of Sales Growth on Financial Distress

Based on the results of testing the relationship between the variable sales growth and financial distress, it has a t-value of 1.151 with a significance value of 0.252. the significance level is greater than the significant rate of 0.05. So it can be concluded that sales growth has no significant effect on financial distress, so hypothesis 1 is rejected. The research data shows that there are several companies that have positive sales growth values but these companies are experiencing financial distress such as PT. Sentra Food Indonesia Tbk, PT. Pratama Abadi Nusa Industri Tbk, PT. Prima Cakrawala Abadi Tbk and PT. Kedaung Indah Can Tbk. This means that the company's sales growth rate cannot show whether the company is in financial distress or not.

Effect of Operating Capacity on Financial Distress

The second hypothesis states that the operating capacity proxied by Total Asset Turn Over has a significant negative effect on financial distress. Based on the results as evidenced by the calculated t value of 0.070 with a significance value of 0.944. the significance level is greater than the significant rate of 0.05. this shows that operating capacity has no significant effect on financial distress. By not accepting hypothesis 2, goods and consumer goods manufacturing companies show a less than optimal TATO value. This shows the company's ineffectiveness in generating sales from all of its assets. Based on the research results, the company that has the lowest TATO value is PT. Bumi Teknoculture Unggul Tbk is only 0.04 in 2021.

The absence of a significant effect of operating capacity on financial distress may mean that there are different judgments from investors. Some investors will think that the TATO value indicates the company's high effectiveness in using its assets will lead to a lower possibility of financial distress in companies manufacturing the goods and consumption sector because these companies are able to generate sales that are greater than the assets they invest.

The Effect of Liquidity on Financial Distress

The results of the study concluded that liquidity which is proxied by the current ratio has a positive effect on financial distress. This is evidenced by the calculated t value of 2.272 with a significance value of 0.025. the significance level is smaller than the significant rate of 0.05. This illustrates that a high level of liquidity will reduce the likelihood of financial distress occurring in the company, so the third hypothesis is accepted. A high current ratio value indicates that the company has the ability to meet short-term obligations with its current assets. This shows that indutrsi goods and consumption with high liquidity, the company is able to settle short-term obligations at maturity from the assets owned,

Effect of Operating Cash Flow on Financial Distress

This result is evidenced by the calculated t value of 3.452 and the relationship between operating cash flow and financial distress has a significance value of 0.001. the value is smaller than 0.05. So it can be concluded that operating cash flow has a negative effect on financial distress. Thus hypothesis 4 is accepted that operating cash flow describes the company's operational activities, which can be in the form of incoming and outgoing cash flows. Companies that have high operating cash flow mean that they have a source of funds to carry out their operating activities such as repaying loans, maintaining the company's operating capabilities, and paying dividends. If the operating cash flow generated by the company increases, it is less likely that the company will experience financial distress. and vice versa if the company's operating cash flow experiences a continuous decline without being able to be overcome, the company can experience financial distress Rizkiyah (2018). In the goods and consumption industry, this shows that the company is more effective in having sufficient cash funds so that it can fulfill its operational activities.

CONCLUSION

Sales growth does not have a significant negative effect on financial distress in manufacturing companies in the goods and consumption sectors.

*OperatingCapacity*does not have a significant negative effect on financial distress in goods and consumer goods manufacturing companies showing a TATO value that is less than optimal

Liquidity which is proxied by the current ratio has a negative effect on financial distress.

Operating Cash Flow has a significant negative effect on financial distress.

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THE EFFECT OF FINANCIAL DISTRESS, LEVERAGE, AND FIRM SIZE ON THE INTEGRITY OF FINANCIALSTATEMENTS

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ABSTRACT

This study aims to determine the effect of financial distress, leverage, and firm size on the integrity of financial statements. The study sampled 18 transportation & logistics sector companies registered with the IDX from 2019 to 2022, which were determined using purposive sampling methods. The research data was analyzed using multiple linear regression. The results of this study indicate that financial distress and leverage have a positive effect on the integrity of financial statements. Meanwhile, firm size has no effect on the integrity of financial statements. The results of this study are in line with signal theory, which states that financial distress and leverage are negative signals for investors, which makes companies try to reduce these negative signals by increasing the integrity of financial statements. However, this study is not in line with signal theory, which states that a large company will attract more public attention sothat the company will improve the integrity of financial statements, because the results of the study state that firm size has no effect on theintegrity of financial statements.
Keyword : *Financial Distress, Leverage, Firm Size, Integrity Of Financial Statements*

INTRODUCTION

Financial reports are the most important element in a company.According to Ayem & Yuliana (2019), financial statements are the result of an accounting process that will then be used by various parties with an interest in company data to communicate about the company's financial data. Financial reports have the aim of revealinghow a company is performing through the information on the company's financial position presented. The information presented must be accurate because the information obtained will be consideredby all parties to make the right business decisions. The financial statements presented by the company are a form of accountability from the company to all interested parties. Therefore, the financial statements disclosed by the company must have high integrity. The integrity of financial statements is a report on the financial performance of a company that describes a complete unit that shows honesty and authority (Suzan & Wulan, 2022). A financialreport can be called integrity if it presents information that is in accordance with the actual situation regarding the company's condition.

LITERATURE REVIEW

Signalling Theory

The signal theory was first proposed by Spence (1973), who explained in this theory that the sender (owner of information) will provide a signal or clue that will be useful and beneficial to the recipient (investor) about the internal condition of a company. Financial reports with integrity are a positive signal because they can influence the assessment of investors, creditors, and all interested parties (Emayanti & Muliati, 2020).

Financial Statement Integrity

According to Ario et al., (2020), the integrity of financial statement information is a situation where the information presented by the company regarding the company's economic condition is the true condition without being covered up by management. The integrity of financial statements is measured by adopting the Beaver and Ryan (2000) model using the market to book ratio, namely:

$$MBV = \frac{\text{Stock Market Price}}{\text{Book Value Shares}}$$

Financial Distress

According to Platt and Platt (2002), financial distress is a stageof decline in financial condition that occurs before bankruptcy or liquidation for a company. Financial distress is proxied using the modified Z-Score method by Altman (1995), which is a combinationof four financial ratios, as follows:

$$Z = 6{,}56X1 + 3{,}26X2 + 6{,}72X3 + 1{,}05X4$$

Information:

Z = Bankruptcy Indeks

X1 = Working Capital / Total Assets X2 = Retained Earnings / Total Assets

X3 = Earning Before Interest Taxes / Total Assets X4 = Market Value of Equity / Book Value of Debt

Score Condition > 2,60 safe zone, 1,10 - 2,60 grey zone, < 1,10distress zone.

Leverage

Leverage is a ratio that shows the ratio between total liabilitiesand total company assets (Erawati & Siang, 2021). The leverage variable is measured by the debt to asset ratio (DAR) with the following formula:

$$DAR = \frac{\text{Total Liabilities}}{\text{Total Assets}}$$

Firm Size

Firm size is a basic measure that can show a measure of the level of marketing and company management (Ayem & Agatha, 2022). The measurement of firm size in this study is measured by thetotal assets owned by the company, which will then be transformed into logarithmic form with the aim of equalizing with other variables.

Firm Size = Ln (Total Assets)

HYPOTHESIS DEVELOPMENT

The Effect of Financial Distress on Financial Statement Integrity

Signal theory states that companies that are experiencing financial distress or difficulties are a negative signal for investors. The higher the level of financial distress experienced by the company, themore the use of accounting conservatism will increase (Liliany & Arisman, 2021). This is because companies that are experiencing financial distress and have poor prospects will try to provide better signals through the implementation of conservative accounting in order to restore the trust of all parties in the company.

H1: Financial distress has a positive effect on the integrity of financial statements

The Effect of Leverage on Financial Statement Integrity

According to signal theory, a high level of leverage is a bad signal for investors. A high level of leverage indicates that the company has a high level of financial risk. A large enough level of debt will raise concerns for shareholders, they are worried that they will not get a large return on their shares (Ashari, 2022). This will encourage companies to disclose company information completely and with integrity so that users of financial statements do not have information asymmetry and to reduce creditors' doubts about the company's ability to pay its debts.

H**2: Leverage has a positive effect on the integrity of financialstatements**

The Effect of Firm Size on Financial Statement Integrity

The larger the company, the higher the demands from stakeholders for financial reports with integrity (Liliany & Arisman, 2021). Based on signal theory, companies that have a large size will attract more investors because they are considered safer and more profitable. The larger the company, the more attention it will receivefrom the public. This attention from the public will make the company more careful in presenting its financial statements.

H3: Firm size has a positive effect on the integrity of financialstatements

RESEARCH METHODS

This research is quantitative research, which is research on datacollected and expressed in the form of numbers. This study took a sample of 18 transportation and logistics sector companies listed on the IDX from 2019 to 2022, which were determined using the purposive sampling method. The research data was analyzed using multiple linear regression.

RESULTS AND DISCUSSION

Table 1:t-test results

UnstandardizedCoefficients				StandardizedCoefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	6,644	5,148		1,291	,206
	LN_FD	,715	,105	1,339	6,780	,000
	LN_LV	1,065	,198	1,071	5,390	,000
	LN_FS	-1,825	1,546	-,145	-1,180	,246

a. Dependent Variable: LN_FSI

The Effect of Financial Distress on Financial Statement Integrity

The test results show that that financial distress has a positive effect on the integrity of financial statements. Companies that are experiencing financial distress will further increase the use of accounting conservatism to provide better signals to the public and interested parties in order to restore public trust in the company, which will also result in increased integrity of the company's financial statements. The results of this study are in line with research conducted by Saad & Abdillah (2019) and Liliany & Arisman (2021),which shows that financial distress has a positive and significant effect on the integrity of financial statements.

The Effect of Leverage on Financial Statement Integrity

The test results show that leverage has a positive effect on the integrity of financial statements. The higher the leverage level of a company, the greater the company's financial risk. Companies with high leverage values will try to disclose company information completely and with integrity to reduce creditors' concerns about the company's ability to repay its debts. The results of this study are in line with the research of Suzan & Wulan (2022), Putri & Andriani (2022), and Ashari (2022), which prove that leverage has a positive and significant effect on the integrity of financial statements.

The Effect of Firm Size on Financial Statement Integrity

The test results show that firm size has no effect on the integrity of financial statements. Large or small companies size cannot affect the integrity of financial statements. This is because the size of the company, as measured by the amount of total assets, cannot describethe entire performance of the company. The assets owned by the company have not been optimally used by managers, thus making theintegrity of financial statements also not optimal (Wardhani & Samrotun, 2020). For investors themselves, company assets are not the only thing that is considered when making decisions. It would bebetter if large or small companies could optimize the use of their assets so that the integrity of their financial statements could be increased and they could attract investors to invest. The results of thisstudy are in line with the research of Wardhani & Samrotun (2020) and Ashari (2022), which state that firm size has no effect on the integrity of financial statements.

CONCLUSION

The results of this study indicate that financial distress and leverage have a positive effect on the integrity of financial statements.Meanwhile, firm size has no effect on the integrity of financial statements. The results of this study are in line with signal theory, which states that financial distress and leverage are negative signals for investors, which makes companies try to reduce these negative signals by increasing the integrity of financial statements. However, this study is not in line with signal theory, which states that a large company will attract more public attention so that the company will improve the integrity of financial statements, because the results of the study state that firm size has no effect on the integrity of financialstatements.

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THE EFFECT OF CEO CHARACTERISTICS ON FINANCIAL PERFORMANCE WITH CARBON PERFORMANCE AS AN INTERVENING VARIABLE

(Empirical Study on Mining, Infrastructure, Utilities and Transportation Companies on the Indonesia Stock Exchange forthe Period of 2019-2021)

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ABSTRACT

This study aims to determine the effect of the characteristics of the chief executive officer (CEO) on carbon performance as an intervention variable. The intervention variable used in this study is carbon performance, which is measured by dividing the total emissions of scope 1 and scope 2 in the current year by total sales atthe end of the fiscal year. The independent variables in this study areCEO characteristics as measured by tenure, educational background,and gender. The dependent variable in this study is financial performance as measured by return on assets (ROA). The populationof this research was conducted in the mining, infrastructure, utilities, and transportation sectors which were listed on the Indonesia Stock Exchange during the 2019-2021 period. The sampling technique usedin this study was a purposive sampling method with a total sample of39 research data. The data analysis technique for this study used multiple regression analysis with SPSSv25 software and path analysis with the help of an online Sobel calculator. The results of this study prove that CEO tenure has a significant negative effect on financial performance, educational background and gender of the CEO have asignificant positive effect on financial performance. In addition, carbon performance cannot mediate the effect of CEO characteristicson financial performance.

Keywords: *CEO Characteristics, Carbon Performances, Financial Performances, Upper Echelon Theory*

INTRODUCTION

The financial performance of an organization over a given timeperiod can be used to measure its success. Business management is constantly striving to increase the company's profitability and financial performance. This cannot be accomplished without theinvolvement of the CEO, who is the highest position in management and has complete responsibility over all company decisions. Becausethe CEO is an essential component of any successful company's strategy, including the climate change plan, the process of developingcorporate strategy and policy encompasses the CEO's experiences, values, personality, and interpretations.

Through the 2022 CNBC Indonesia Awards, CNBC Indonesiarecognized the accomplishments of economic actors and the business sector. Darman Prasodjo, Main Director of PT PLN (Persero), received the CEO of the Year award at the event. Darmawan's effortsto digitize services, maintain a commercial and financial growth strategy, and promote sustainability made this accomplishment possible. This rise was caused by PLN's ability to cut costs. Even in challenging circumstances and with rising gasoline prices that raise operational costs.

According to a Carbon Brief analysis, Indonesia contributes 101.8 billion tons of CO2, or 4% of total global emissions, with a cumulative emission of 2.545 trillion tons of CO2, ranking it fifth among all countries between 1850 and 2021. Indonesia is a tropical country with 10% of the world's tropical rainforests and 36% of the world's tropical peatlands, with an estimated carbon storage capacityof 28 billion tons. However, Indonesia currently has the world's second greatest rate of deforestation, trailing only Brazil. The forestryindustry produces the highest greenhouse gas emissions in this country, followed by the transportation, industrial, commercial, and home sectors.
Ghardallou et al. (2020) conducted study that found that CEO tenure has a beneficial effect on financial performance, with CEOs with longer tenure being more ready to invest in higher-risk ventures. Furthermore, this study reveals that CEO education improvesfinancial performance since CEOs with degrees in business administration, economics, finance, or accounting are inherently better suited to run organizations and improve corporate performance. According to Kaur and Singh's (2019) findings that CEO gender has an effect on financial performance, female CEOs may be able to produce a competitive advantage for companies because they understand consumer behavior and customer demands better. Male CEOs, on the other hand, are perceived to be more willing to takechances and make reasonable decisions. As an intervening variable,carbon performance is included in this analysis. According to Elsayihet al. (2021), the CEO, as the highest authority, can respond better tothe challenges of climate change. Some of a CEO's most commonresponsibilities include overseeing and implementing the company'senvironmental strategy and making decisions that affect company performance, including decisions related to carbon performance.

CONTENTS

According to Hambrick and Mason (1984), rational executives would make judgments based on reasoning abilities or physiological and social qualities (Nielsen 2010). Freeman's (1984) stakeholder theory is relevant to research because the CEO, as the highest authority in the firm, must be able to design policies and strategies and make decisions that are desired by stakeholders while remainingconsistent with company goals.

HYPOTHESIS

According to Setyaningrum (2019), tenure improves corporatefinancial performance. CEOs with longer tenures can produce greaterresults because they understand business processes better and can monitor and develop more appropriate business plans.

H1.a: CEO tenure has a positive effect on financial performance.

According to Ghardallou et al. (2020), the CEO's background has a favorable and considerable impact on the company's financial performance. The CEO's educational background complements his orher social relations skills.

H1.b: The educational background of the CEO has a positive effect on financial Performance

According to Li and Singal (2017), male CEOs can produce higher corporate performance than female CEOs.

H1.c: CEO gender has a positive effect on financial performance.

The CEO is the most significant component in the company's strategy, including the climate change plan, because the CEO playsan important role in tackling climate change, especially greenhousegas emissions (Haque, 2017; Hoffman, 2010). According to thefindings of study conducted by Siddique et al. (2021), Ganda (2018),and Lewandowski (2017), carbon performance has a favorable and significant effect on the company's financial performance

H2.a: Carbon performance mediates the relationship betweenCEO tenure on financial performance.

H2.b: Carbon performance mediates the relationship betweeneducational background of CEO on financial performance.

H2.c: Carbon performance mediates the relationship between CEO gender on financial performance.

RESEARCH METHOD

This is a quantitative study. The information comes from the financial reports of firms listed on the IDX in the mining, infrastructure, utilities, and transportation sectors for the years 2019-2021. This study's final sample included 17 businesses.

Financial Performances (Return on Assets)

Is a ratio used to determine how well a company's assets create netincome. calculated using the formula

$$ROA_{i,t} = \frac{\text{Net Profit After Tax}}{\text{Total Aset}}$$

CEO Characteristics

Tenure, as determined by the total number of years the CEO has served (Elsayih et al, 2021).

Educational Background, as measured by a dummy variable, witha value of 1 for a CEO with an educational background inadministration, business, economics, finance, or accounting and avalue of 0 otherwise (Ghardallou et al, 2020).

Gender, as measured by a dummy variable with a value of 1 for amale CEO and a value of 0 for a female CEO (Eka Putri & Herawaty, 2019).

Carbon Performance

Carbon performance measurement refers to research conducted byElsayih et al. (2021) using the following formula.

$$\textit{Carbon Performance}\ (CP_{i,t}) = \text{Log of}\ \frac{\text{total scope 1 and scope 2 emissions in the current year}}{\text{total net sales at year-end period}}$$

Where, scope 1 comes from direct emissions from burning fossil fuelsand scope 2 comes from indirect emissions from electricity use.

RESULTS

Descriptive statistical analysis considers the mean, standard deviation, maximum, and minimum to provide a wide view of the data (Ghozali 2018). The descriptive statistics data from this investigationare shown below.

Tabel 1. Descriptive Statistical Test Results

Variabel	N	Minimum	Maksimum	Mean	Std. Deviasi
TEN	39	3	28	6,97	4,950
EDU	39	0	1	0,77	0,427
GEN	39	0	1	0,90	0,307
LOG_CP	39	-5,70	-1,71	-3,54	0,99310
ROA	39	-7,98%	18,33%	4,8018%	6,01689%

The first hypothesis, H1a, H1b, and H1c, was tested using multiplelinear regression analysis with the regression models listed below.

$ROA_{i,t} = a + \beta 1TEN_{i,t} + \beta 2EDU_{i,t} + \beta 3GEN_{i,t} + \beta 4CP_{i,t} + e$

The findings of the model regression test (1) in this study are shownbelow.

Tabel 2. Individual Parameter Significance Test

Coefficients[a]

Model		UnstandardizedCoefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	*(Constant)*	-6,374	1,245		-5,122	0,000
TEN		-0,499	0,042	-0,658	-11,930	0,000
EDU		2,437	0,486	0,277	5,016	0,000
GEN		6,900	0,706	0,565	9,769	0,000
LOG_CP		-1,574	0,218	-0,416	-7,219	0,000

a. *Dependent Variable*: ROA

Tabel 3. Simultaneous Significance Test

ANOVA[a]

	Model	Sum of Squares		Square		
1	Regression	483,638	5	96,728	62,121	.000[b]
	Residual	51,383	33	1,557		
	Total	535,021	38			

Dependent Variable: ROA

Predictors: (Constant), TEN, EDU, GEN, LOG_CP

The test findings demonstrate that the research model is in the very good category and meets the goodness of fit test requirements (Ghozali, 2018). The Sobel test devised by Sobel (1982) with the help of the onlineSobel calculator is used to assess the second hypothesis, specifically H2a, H2b, and H2c. The Sobel test result of 1.96 suggests that variableZ mediates the link between X and Y. The t table value at a 5% levelof significance is 1.96 (Ghozali 2018). The findings of this study's second hypothesis testing are shown below.

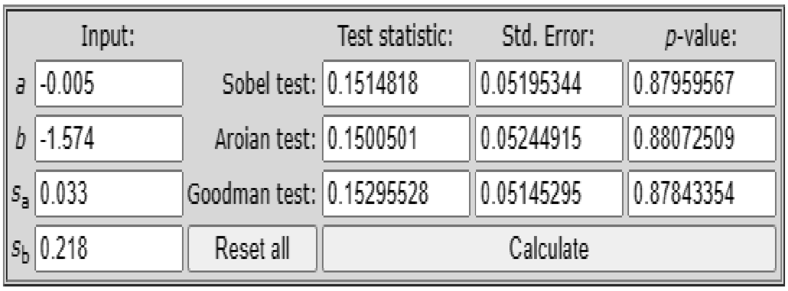

Figure 1. Intervening test results H2a

Input:			Test statistic:	Std. Error:	p-value:
a	0.154	Sobel test:	-0.40356759	0.60063298	0.68653072
b	-1.574	Aroian test:	-0.39976345	0.60634858	0.68933075
s_a	0.381	Goodman test:	-0.40748243	0.59486246	0.6836537
s_b	0.218	Reset all	Calculate		

Figure 2. Intervening test results H2b

Input:			Test statistic:	Std. Error:	p-value:
a	0.812	Sobel test:	-1.47736072	0.86511573	0.13957897
b	-1.574	Aroian test:	-1.46396861	0.87302965	0.14320253
s_a	0.538	Goodman test:	-1.49112721	0.85712875	0.1359281
s_b	0.218	Reset all	Calculate		

Figure 3. Intervening test results H2c

Images 1, 2, and 3 indicate that the Sobel test findings have a sobel statistics of 1.96, indicating that carbon performance does not mediate the association between CEO traits and financial performance, and thus H2a, H2b, and H2c are rejected.

CONCLUSIONS

According to the findings of this study, CEO tenure has a considerable detrimental impact on financial performance. This also implies that the longer the CEO remains in office, the worse the company's financial performance can be. The CEO's educational background has a strong beneficial effect on financial performance; this conclusion also implies that organizations with CEOs who have educational backgrounds in administration, business, finance, or accounting outperform other companies. CEO gender has a strong beneficial effect on financial performance; as a result, organizations with male CEOs can achieve greater financial results. Furthermore, the CEO's effects on financial success with carbon performance as an intervening element cannot be demonstrated. As a result, carbon performance cannot be regarded as a mediating or intervening variable in this study. Future research is predicted to be able to generate and add additional proxies for each variable, resulting in more relevant and valid results.

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THE EFFECT OF OPEN UNEMPLOYMENT RATE, HUMAN DEVELOPMENT INDEX AND PROVINCIAL MINIMUM WAGE ON POVERTY IN NORTH ACEH DISTRICT

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ABSTRACT

This study examined the effect of the Open Unemployment Rate, Human Development Index and the Provincial Minimum Wage on Poverty in North Aceh during 2006-2020. This quantitative study used secondary times series data. The data collection method was conducted by accessing reports published by the Central Bureau of Statistics, then processed by the E-Views 10 analysis tool with multiple linear regression analysis. The results indicated that the Open Unemployment Rate has a negative and significant effect on Poverty in North Aceh District, the Human Development Index has a positiveand significant effect on Poverty in North Aceh District, the Provincial Minimum Wage has a negative and significant effect on Poverty in North Aceh District. And the Open Unemployment Rate, the Human Development Index and the Provincial Minimum Wage have a significant and positive effect on Poverty in North AcehDistrict.
Keywords: *Poverty, Open Unemployment Rate, Human Development Index, and the Provincial Minimum Wage*

INTRODUCTION

The problem of poverty is one of the biggest problems faced by many countries in the world, including Indonesia, which is a developing country. The province of Aceh is also part of the Indonesian region that is not free from the problem of poverty. Although Aceh is rich in natural gas and other natural resources, it is still one of the poorest provinces in Indonesia.

The strategic problems that exist in Aceh Utara are not much different from the problems that exist at the national level, namely the problem of poverty, which is still relatively high. So far, there have been many programs or special government actions to overcome the problem of poverty that occurs in North Aceh District, namely by carrying out various policies through government programs aimed at eradicating poverty, at least to reduce the poverty rate that is still high in North Aceh District. Programs that have been launched include subsidies, social assistance funds, job training, education scholarships, and others. All of these programs aim to reduce poverty in the short and long term.

Although the statistics show that the poverty rate is decreasing every year, what happens on the ground is different from what is shown in the book. There are still many people in North Aceh who are unable to escape poverty and have uninhabitable houses. The poverty rate in North Aceh is influenced by several variables, including the open unemployment rate, the human development index (HDI), and the provincial minimum wage.

The percentage of unemployment is one of the indicators that affect the poverty rate. A high unemployment rate leads to low income, which in turn triggers poverty. When a member of the labor force actively seeks work but cannot find it, they are considered unemployed (Sukirno, 2016). Because unemployment lowers output and income and contributes to poverty and other social problems, it isa significant drag on the economy of North Aceh and the rest of Indonesia. North Aceh District is one of the regions with the highest open unemployment rate according to BPS Aceh Province. The highunemployment rate in North Aceh indicates that this problem needs immediate attention from the government. Because reducing povertyand unemployment is the metric for a thriving economy. Because reducing poverty and unemployment is the metric for a thriving economy.

In addition to the open unemployment rate, the quality of human resources can also be one of the factors that cause poverty problems in a region,the quality of human resources can be seen in the human development index. The Human Development Index (HDI) is a metric used to measure progress against various indicators of human growth, such as wealth, health, and education. Improving the quality of the population will be a factor in helping to reduce the number of poor people. If the HDI increases, it means that the quality of life increases, so that welfare is higher and the poverty rate decreases(Sugiyanto, 2013).

In addition, the provincial minimum wage also affects the poverty ratein an area. The main reason why minimum wage laws exist is to guarantee at least some basic needs for the well-being, health, and efficiency of employees.The government mandates that the minimum salary should be enough to support a family. The main contributor to the high poverty rate in North Aceh is the low wages in the area. Where if wages rise, poverty will fall, and vice versa if wage levels fall it can affect the welfare of the community.

The following is data on the Open Unemployment Rate, Human Development Index, Provincial Minimum Wage and Poverty in North Aceh District in 2006-2020.

Table 1 Data on the Open Unemployment Rate, HDI, ProvincialMinimum Wage and Poverty in North Aceh Regency 2016-2020

Year	TPT (%)	IPM (%)	UMP (%)	Poverty (%)
2016	14,04	67,19	2.118.500	19,46
2017	11,02	67,67	2.500.000	19,78
2018	10,14	68,36	2.700.000	18,27
2019	8,65	69,22	2.916.810	17,39
2020	8,56	69,33	3.165.031	17,02

Source: BPS Kabupaten Aceh Utara,2021

Based on table 1 above, the percentage of poverty fluctuates. The data on the open unemployment rate from 2016-2020 continues to decline from 14.04% to 8.56%. Furthermore, the HDI and UMP data tables have increased every year, which should also be accompanied by an increase in poverty. Poverty in North Aceh District. However, in 2017 poverty increased from 19.46% to 19.78%. Which is contrary to theory. Therefore, further research is needed in overcoming poverty in North Aceh Regency.

The objective to be achieved in this study is to determine how much influence the open unemployment rate, human development index and provincial minimum wage have on poverty in North Aceh District.

RESEARCH METHODS

The objects of this research are the open unemployment rate, human development index, provincial minimum wage and poverty. The location of this research was North Aceh Regency. The data used in this study are from 2006 to 2020. The type of data used in this study is secondary data. The data obtained from this secondary data does not need to be reprocessed. This study uses time series data. The data sources used by researchers in this study are data sources obtained from the Aceh Central Statistics Agency (BPS) for 2006-2020.

The data collection technique is a documentation study sourced from library literature, previous research reports or records that support this research such as books, the internet and other literature.The operational definition for the dependent variable in this study is poverty. Poverty is the inability of a person to meet the basic needs of his life, which is measured in units of percent. The independent variables are open unemployment rate, human development index and provincial minimum wage. The open unemployment rate is a statistical measurement of the percentage of someone who wants to work but does not yet have a job, which is measured in units of percent. The human development index is a measure of the success of society in developing the quality of life, which is measured in units of percent. The minimum wage is a payment received by laboras a result of performing an activity, measured in millions of rupiah.

Data Analysis Method

The data analysis method used in this research is quantitative method. Quantitative research methods are research that using numbers in data and analysis using statistical tests (Jhingan, 2016). In this study using multiple linear analysis methods through the Eviews program tool.

The analysis model used in this study is as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon t$$

Description:

Y = Poverty

α = Constant

β_1 β_2 β_3= Regression Coefficient

X_1 = Open Unemployment Rate (%) X_2 = Human Development Index (%)

X_3 = Provincial Minimum Wage (million)

εt = Error Term

RESEARCH RESULTS AND DISCUSSION

The Effect of Open Unemployment Rate on Poverty

Based on the results of the t-test, it can be concluded that the open unemployment rate variable has a negative and significant effect on poverty in North Aceh District. This is not in accordance with the theory that unemployment is one of the main causes of increased poverty. Nevertheless, the results of this study are in line with research (Wijayanto, 2010) which concluded that the unemployment variable has a negative and significant effect on poverty. This finding shows that the pattern of the relationship between unemployment and poverty is not always unidirectional. This phenomenon can be explained by the fact that there are people who are unemployed in a household, but there are also people who work in the household with high pay that is suitable to support the unemployed. In relation to poverty, an unemployed person in a household does not necessarily turn into a poor person because there are still other family members who have enough income to keep the family living above the poverty line.

The Effect of Human Development Index on Poverty

Based on the partial test results that have been carried out, the human development index variable has a positive and significant effect on poverty in North Aceh District. The fact shows that the relationship pattern is not always unidirectional between the Human Development Index and poverty in North Aceh District. As the human development index increases, the amount of poverty also increases. Which is not in accordance with the assumptions of existing economic theory. However, the results of this study are in line with research (Bondoyudho et al., 2018), that HDI has a positive and significant effect on poverty rates. HDI is measured according to three dimensions, namely aspects related to healthy living needs and longevity, the acquisition of knowledge and a decent standard of living. This may be due to the rise of the health and education sectors and the per capita income that has not yet contributed to human development, so that it is still not able to lift the economic status of the community above the poverty line, to become rich.

The Effect of Provincial Minimum Wage on Poverty

Based on the partial test results that have been carried out, it can be concluded that the provincial minimum wage has a negative and significant effect on poverty in North Aceh District. Which is in accordance with the hypothesis. This is in accordance with the theory of (Sukirno, 2016) which suggests that if we compare the level of community welfare in several countries based on income levels, then consciously or not we have actually considered that the level of community welfare is determined by the amount of community income. This shows that the higher the amount of UMP, the lower or decreased poverty. Conversely, if the amount of UMP is low then poverty is high. The results of this study are in line with research (Priseptian, 2022) which concluded that UMP hasa negative and significant relationship to poverty. Thus, an increase in the minimum wage can provide an opportunity for workers to improve and fulfill their living needs, or at least meet their minimum living standards, which also has an impact on the welfare of workers, so that it will save workers from poverty.

The Effect of Open Unemployment Rate, Human Development Index and Provincial Minimum Wage on Poverty

Based on the results of tests conducted simultaneously, it shows that the open unemployment rate, human development index and provincial minimum wage have a positive and significant effect on poverty in North Aceh District. Therefore, the government must pay attention to these three variables together and conduct regular assessments so that these three variables can continue to be improved for the better.

CONCLUSION

Based on the results that have been carried out using multiple linear regression analysis methods, it can be concluded as follows:

Partially, the open unemployment rate has a negative and significant effect on poverty in North Aceh District.

Partially, the human development index has a positive and significant effect on poverty in North Aceh District.

Partially, the provincial minimum wage has a negative and significant effect on poverty in North Aceh District.

Simultaneously, the open unemployment rate, human development index and provincial minimum wage have a significant and positive effect on poverty in North Aceh District.

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ANALYSIS OF FACTORS AFFECTING INCOME SMOOTHING AMONG LISTED COMPANIES IN LQ-45 PERIOD 2019-2021

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ABSTRACT

Income smoothing is part of earning management to create normal fluctuation on company's financial report. This study examines the factors that influence income smoothing practice, such as firm size, bonus plan, cash holding, and profitability. The group companies that perform income smoothing or not are distinguished by using Eckel Index to net income. The research sample totaling 23 companies with a sub-sample of 69 financial reports that choosen by purposive sampling Technique. The observations were made during the three years, from 2019 to 2021. The analysis techniques uses binary logistic regression using E-Views 12 to determine the factors that influence income smoothing. The results showed that the variables of firm size, bonus plan, and cash holding, have no effect to income smoothing, while the variable profitability has an effect to income smoothing.
Keyword: *Firm Size, Bonus Plan, Cash Holding, Profitability, and Income Smoothing.*

INTRODUCTION

The financial statements is one of the most important things that must be owned by a company. It is because the financial statements contain financial information and company activities during a period. Financial information is one of the things that external pay attention to, especially investors because it can show the prospects for profits to be generated by a company. This situation causes company management to carry out dysfunctional behavior one of them is income smoothing.

The practice of income smoothing is one of the policies that is often carried out by company management to maintain the stability of the company's profit movement as stated in the financial statements. However, in practice this policy is often misused by related parties so that the information contained in the financial statements is not relevant to the actual situation of the company so that it will harm the users of financial statement information.

The objects of this research are companies listed in LQ45 for the 2019-2021.The period chosen ranges from 2019 to 2021 because at that time the world was shaken by the Covid-19 pandemic outbreak which made the world economy unstable, allowing many companies to carry out income smoothing so that their companies can remain competitive in the stock market. The LQ45 stock index was chosen as the object of research because this stock is one of the most popular stock index in Indonesia. It is hoped that this research can add references for investors who will invest in LQ45 so as to minimize investment decision making errors in a company.

RESEARCH METHODE

This type of research uses a quantitative approach. The type of data used in this study is secondary data obtained from the financial statements of companieslisted on the LQ45 stock index from 2019 to 2021. In this study there were 23 sample companies that met the criteria. The sample was obtained from sample selection using purposive sampling technique. This study has operating independent variables, including firm size, bonus plan, cash holding, and profitability that proxied into Return on Assets (ROA), and income smoothing as a dependent variable. The data analysis technique used in this research is descriptive statistical analysis with logistic regression analysis using E-Views 12. This study used a logistic regression test since the dependent variable was a dummy variable in this study. The regression model used in this study is:

$$p \ln(1-p) = \beta 0 + \beta 1X1 + \beta 2X2 + \beta 3X3 + \beta 4X4 + \varepsilon$$

RESULTS AND DISCUSSION

Descriptive Statistics

Descriptive statistics is a method of data analysis related to data collection and processing which functions to provide information for its users. As for the information contained in the descriptive statistical analysis is the maximum and minimum values, standard deviation, and the mean of the variables studied.

Table 1 Descriptive Statistics Test

	Y	X1	X2	X3	X4
Mean	0.146667	32.13662	29.26969	0.097564	0.0764417
Median	0.000000	31.83245	29.37705	0.065750	0.058150
Maximum	1.000000	35.08440	31.38590	0.369700	0.358000
Minimum	0.000000	29.90810	26.02310	0.004000	0.000700
Std. Deviasi	0.496466	1.490141	1.253739	0.90476	0.076018
Observations	69	69	69	69	69

Source: Output E-Views, 2023

Binary Logistic Regressions

Table 2 Binary Logistic Regression Test

Dependent Variable: Perataan Laba
Method: ML - Binary Logit (Newton-Raphson / Marquardt steps) Date: 06/22/23 Time: 13:17
Sample: 2019 2020 Included observations: 72
Convergence achieved after 4 iterations
Coefficient covariance computed using observed Hessian

Variable	Coefficient	Std. Error	z-Statistic	Prob.
C	-7.837153	7.083948	-1.106326	0.2686
Ukuran Perusahaan	0.476176	0.266805	1.784736	0.0743
Kompensasi Bonus	-0.305478	0.272917	-1.119310	0.2630
Cash Holding	3.340666	3.494101	0.956087	0.3390
Profitabilitas	10.40092	4.541321	2.290285	0.0220

McFadden R-squared	0.083866	Mean dependent var	0.416667
S.D. dependent var	0.496466	S.E. of regression	0.485695
Akaike info criterion	1.383353	Sum squared resid	15.80526
Schwarz criterion	1.541455	Log likelihood	-44.80071
Hannan-Quinn criter.	1.446294	Deviance	89.60142
Restr. deviance	97.80383	Restr. log likelihood	-48.90192
LR statistic	8.202415	Avg. log likelihood	-0.622232
Prob(LR statistic)	0.084439		

Source: Output E-Views, 2023

The coefficients obtained from logistic regression test must be converted into odds ratios so that the data can be interpreted. Based on binary logistic regressiontest with $e^{koefisien}$formula with an e value of 2.72. The following is the result of calculating the odds ratio using Ms. Excel on each of the variables studied:

Table 3 Odds Ratio

Variable	Coefficient	Odd Ratio
C	-7.8372	0.00039
Firm Size	0.47618	1.61039
Bonus Plan	-0.3055	0.73663
Cash Holding	3.34067	28.2976
Profitability	10.4009	33106.7

Source: Output E-Views, 2023

Based on table 3 it can be concluded that the regression equation in this studyis as follows:

ln (p 1-p) = 0.00039 + 1.61039X1 + 0.73663X2 + 28.2976X3 + 33106.7X4 + ε

Goodness of Fit Test (Hosmer & Lemeshow).

Table 4 Goodness of Fit Test (Hosmer & Lemeshow)

H-L Statistic	10.7240	Prob. Chi-Sq(8)	0.2178
Andrews Statistic	16.7005	Prob. Chi-Sq(10)	0.0813

Source: Output E-Views, 2023

Based on table 4 it can be seen that the probability of the Chi-Square HL (Hosmer & Lemeshow) statistic is 0.2178 which means it is greater than α which is 0.05. So it can be concluded that the model is suitable or fit with the model used in this study.

Pseudo-R^2 Test (McFadden R-squared)

Table 5 McFadden R-squared

McFadden Rsquared	0.083866	Mean dependent var	0.416667
S.D. dependent var	0.496466	S.E. of regression	0.485695
Akaike info criterion	1.383353	Sum squared resid	15.80526
Schwarz criterion	1.541455	Log likelihood	-44.80071
Hannan-Quinncriter.	1.446294	Deviance	89.60142
Restr. Deviance	97.80383	Restr. log likelihood	-48.90192
LR statistic	8.202415	Avg. log likelihood	-0.622232
Prob(LR statistic)	0.084439		

Source: Output E-Views, 2023

Based on table 5, it can be seen that the value (McFadden R-squared) is 0.083866 or 8.4%. This means that the independent variables studied, namely company size, bonus compensation, cash holding, and profitability affect the practice of income smoothing only by 8.4%. while the remaining 91.6% is influenced by other variables outside the variables of this study.

Partial Significance Test

In the logit model, the standard approach is used in the partial significance test, so that as the testing criterion,we use the z value. This probability value is smaller than α (0.05), meaning that independent variable has a significant effect to dependent variable.

Table 6 Partial Significance Test

Variable	Coeffisient	Probability	Meaning
Firm Size	0.47618	0.0743	has not affected
Bonus Plan	-0.3055	0.2630	has not affected
Cash Holding	3.34067	0.3390	has not affected
Profitability	10.4009	0.02290	has affected

Source: Output E-Views, 2023

The Effect of Firm Size on Income Smoothing

Based on table 6 firm size has not affected on income smoothing. Basically, it is because companies with large sizes have won the trust of investors based on the company's performance and performance in each period, therefore management does not need to carry out income smoothing policies to attract investors' attention. The results of this study are in accordance with previous research conducted by Zulfatum (2022) which stated that investors will invest according to their abilities, whether investing in large, medium or small companies so that company size doesnot motivate managers to carry out income smoothing

The Effect of Bonus Plan on Income Smoothing

Based on table 6 bonus has not affected on income smoothing. the results of this study are in line with another study conducted by Rizka (2019) which states that bonus compensation has no effect on earnings management. This is because the risk that will be accepted by managementwhen carrying out income smoothing will not be comparable to the bonuscompensation that will be given by the company if they succeed inachieving the company's target.

The Effect of cash holding on Income Smoothing

Based on table 6 cash holding has not affected on income smoothing.The results of this study are supported by research conducted by Zulfatum (2022) which states that cash holding has no effect on incomesmoothing by companies. This is because the company's cash cannot be used individually by the management because the cash is an asset owned by the company which can only be used for the company's operations

The Effect of Profitability on Income Smoothing

Based on table 6 cash holding has not affected on income smoothing. the results of this study are supported by previous research conducted by Nelyuma (2019) which states that profitability has a significant positive effect on smoothing practices. This is because the management is able to estimate the profit that will be generated in the coming period so that theyhave the flexibility to adjust the acceleration or deceleration of the profit that will be obtained each period to attract investors.

CONCLUSION

This study examines the effect of firm size, bonus plan, cash holding, and profitability that proxied into ROA on income smoothing. This study focused on listed companies on Stock Indeks LQ45 in 2019-2020. The results indicated that profitability has a significant positife effect on income smoothing. Firm size, bonus plan, and cash holding has no significantly affect on income smoothing. There are limitations in this study because the sample used in this study is relatively short, namely for only three years (2019-2020). With a limitation as attached above, a suggestion can be applied when conducting subsequent research regarding income smoothing. we can expand the observation period (more than three years).

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ANALYSIS OF THE IMPLEMENTATION OF FINANCIAL ACCOUNTINGSTANDARDS MICRO, SMALL AND MEDIUM ENTITIES TO MSMEs IN SEMARANG

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ABSTRACT

The Indonesian economy has experienced rapid growth in recent years. This increase was driven by Micro, Small and Medium Enterprises. While running their business, MSMEs experience difficulties and still don't understand the importance of recording business financial reports. The Indonesian Association of Accountants has developed Standards for Financial Accounting for Micro, Small and Medium Enterprises to be used as a guide for MSMEs in recording and compiling financial reports. This study aims to find out how financial records are carried out by Micro, Small and Medium Enterties in Semarang City andhow the implementation of Standards for Financial Accounting for Micro, Small and Medium Enterties to MSMEs in Semarang City, as well as the constraints experienced in compiling financial reports based on SAK EMKM. The type of this research is qualitative research. Data sources were obtained through interviews, observation and documentation of 10 MSMEs in Semarang City. The results of the study showed that the financial records carried out by eight MSMEs were still simple, only reflecting the recording of product sales results, and not making financial reports so that the implementation of SAK EMKM could not be carried out. There are two MSMEs that have made simple financial reports on recording theirbusiness operational activities according to the knowledge of the business owner but haven't been able to implement SAK EMKM. Obstacles that cause financial reports based on SAK EMKM have not been implemented properly due to limited knowledge and understanding regarding standardized financial reports, low quality human resources and lack of training or programs for managing financial reports from stakeholders.
Keywords: *Financial statements, SAK EMKM, Micro Small and Medium Enterprises*

INTRODUCTION

The Indonesian economy has experienced rapid growth in recent years. This increase was largely driven by Micro, Small and Medium Enterprises. MSMEs have a significant contribution in absorbing labor and are able to expand employment. Based on data obtained from the Ministry of Cooperatives and MSMEs, currently MSMEs are able to form more than99% of all businesses in Indonesia, only 1% are in the form of large business entities.

MSMEs are able to contribute more than 60% or the equivalent of IDR 8,573 trillion of the country's GDP. But in fact, MSMEs experience many problems and obstacles related to the development of their business. Some of the factors that become common problems faced by MSME actors include difficultiesin accessing capital, potential market digital infrastructure, lack of management of financial reports, and limited knowledge of accounting.

Based on the phenomena related to the obstacles experienced by MSMEs in compiling financial reports, the Secretary to the Deputy for Micro Business of the Ministry ofCooperatives and MSMEs AH Novieta revealed that as many as 77.5% of MSMEs did not make financial reports while the other 22.5% made financial reports. The type of recording offinancial statements made by MSMEs is that 23.2% have made a trial balance, 34.3% have made profit and loss reports, 34.4% have made cash flow reports and 30.9% have made inventory reports. Meanwhile, 53% only recorded cash turnover.

Semarang City is the capital city of Central Java Province, Indonesia. Most of the economy in Semarang City is dominated by the MSME sector. However, in running their business, the majority of MSME owners in Semarang City experience obstacles and challenges in keeping financial records. According to the Main Director of the AccountingServices Office Softwan Aji revealed that 90% of MSMEs in Semarang City do not have good financial preparation operations (kabar24.bisnis.com, 2023). Based on the results of preliminary interviews, information was obtained that many business actors in the city of Semarang did not keep accounting records for their business anddid not record the separation between personal money and business operating money, because MSME actors only focused on sales results and had not focused on recording financial reports. This happens because MSME owners do not understand how to record transactions related to the transactions used when recording financial reports.

Based on the results of research conducted by (Lesmana, 2021) MSME owners think that the presentation of financial records according to accounting standards is a foreign matter. Tests conducted by Adhikara (2018) The results show that company size, educational background and educational level affect the understanding of MSME owners regarding the importance of bookkeeping and recording of financial statements. According to (Nuvitasari et al., 2019) the purpose of recording financial reporting is as information related to the company's financial position, company performance, changes in the company's financial position, so that it can provide benefits for stakeholders to make decisions.

IAI developed the Micro, Small and Medium Entity Financial Accounting Standards (SAK EMKM) issued in 2016. As of January 2018 SAK EMKM has become effective so that SAK EMKM is expected to be a guide for business owners in recording financial reporting. According to the results of the study (Sundari & P Merry, 2020) states that financial reporting recorded by MSMEs is still simple due to the owner's lack of understanding regarding financial accounting standards and the need for convenience in the preparation and preparation of financial reports, so that SAK EMKM hasn't been successfully implemented in line with research results (Nuvitasari et al., 2019) (Susani et al., 2021) (Uno et al., 2019) .

The test produced by (, Danna Solihin, 2018) shows the results that SAK EMKM hasbeen compiled in a simple manner. The difference in results is shown in the research that hasbeen carried out (Dewi & Sari, 2019) showing the results that almost all business actors already understand basic bookkeeping and journals related to SAK EMKM so they are readyto prepare quality financial reporting.

This research was conducted with the aim of being able to find out how financial records and the application of Micro, Small and Medium Entity Financial Accounting Standards (SAK EMKM) are used to record financial reports for MSMEs in Semarang City, and to find out what obstacles are experienced by MSME owners in Semarang City. in compiling financial reports based on SAK EMKM.

RESEARCH METHODS

This study used descriptive qualitative method. The data collection method was obtained from the results of interviews, observations and documentation carried out on 10MSMEs in Semarang City, starting in February 2023 to May 2023. Data collection was carried out using a *purposive sampling technique* .

RESEARCH RESULTS AND DISCUSSION

Preparation of Financial Statements Carried Out by MSMEs in Semarang City Basedon SAK EMKM

This study took informants consisting of 10 MSME actors in the city of Semarang with the type of manufacturing business that has been running for more than 5 years. On average, SMEs employ 2-10 employees from each business. Based on the results of the interviews, it can be seen that the average assets and annual sales results of the 10 MSMEswho became informants in this study ranged from IDR 50,000,000 to IDR 300,000,000 peryear. Informants in this study had never made loans to credit institutions or banks, so the source of funding came from their own capital.

The findings show that the MSME Angkringan Kampung Jawi and Wingko Babat Pratama record keeping is still simple. The owner of the Angkringan Kampung Jawi business revealed that the recording of financial reports for his business was still simple. This simple recording is done by recording sales revenue from 18 stalls. The seller will deposit the proceeds from the sale to Angkringan Kampung Jawi as a form of recording. The owner usesa special notebook to record every financial transaction that occurs every day.

TABEL 1.1:DAILY RECORDING OF ANGKRINGAN KAMPUNG JAWI MSMEs

NUMBER	Date of Transaction	Remarks	Amount	Income
1	10-05-2023	Stall 1	48	129.600
2	10-05-2023	Stall 2	57	153.900
3	10-05-2023	Stall 3	38	102.600
4	10-05-2023	Stall 4	48	129.600
5	10-05-2023	Stall 5	52	140.400
6	10-05-2023	Stall 6	62	167.400
7	10-05-2023	Stall 7	45	121.500
8	10-05-2023	Stall 8	50	135.000
9	10-05-2023	Stall 9	55	148.500
10	10-05-2023	Stall 10	52	140.400
11	10-05-2023	Stall 11	45	121.500
12	10-05-2023	Stall 12	55	148.500
13	10-05-2023	Stall 13	50	135.000
14	10-05-2023	Stall 14	65	175.500
15	10-05-2023	Stall 15	48	129.600
16	10-05-2023	Stall 16	70	189.000
17	10-05-2023	Stall 17	50	135.000
18	10-05-2023	Stall 18	40	108.000
Total			930	2.511.000

Meanwhile, owner of Wingko Babat Pratama uses proof of sales note transaction records to then recap in his business financial books. The Wingko Babat Prataman report only records expenses and income, there are no more detailed financial reports such as income statements. The sales revenue will be used again to buy raw materials . Angkringan Kampung Jawi and Wingko Babat Pratama show that both of them have not applied the basicaccounting concepts including the preparation of financial reports in accordance with SAK EMKM so they have not been able to produce more comprehensive financial information.

In MSME Wingko Babat Cap Tiga Muda Kelapa, Ceriping Talas Lestari, Frying Tofu Production, Bakso Pak Suwardi, Gendar Pecel Bu Sholekah and Lontong Sayur, it shows thatthe informants in this study did not make financial reports, financial records were carried out irregularly and incompletely, the recording process is still made manually, only limited to theknowledge possessed to monitor business income. For MSME owners, their main focus is running their daily business operations.

The results of research on 2 SMEs, namely Arna Snack and Ganis Collection, show that both of them have not implemented financial reports based on SAK EMKM. However, Arna Snack has adopted a different approach by making detailed and structured financial records according to the owner's understanding. In order to monitor the income and expensesof each transaction, Arna Snack uses simple financial accounting. The approach chosen by Arna Snack to record their finances shows an awareness and desire to understand financial performance precisely. Even though they haven't implemented SAK EMKM, the simple bookkeeping approach they use has provided benefits in monitoring cash flows and understanding the company's financial situation.

TABEL 1.2:SIMPLE DAILY FINANCIAL BOOKKEEPINGARNA SNACK 2023

Description	Debit	Credit	Balance
Entry	Rp 4,984,000	-	Rp 4,984,000
Capital	-	Rp 4,410,000	Rp 574,000
Necessity	-	Rp 214,000	Rp 360,000
Savings	-	Rp 200,000	Rp 200,000
Other costs	-	Rp 160,000	0

Meanwhile, the MSME Ganis Collection is a business that sells the production of sawan bracelets. The owner stated that recording his business expenses and income was stilldone in a simple and manual way. Ganis Collection records sales transactions, purchases of raw materials and operational costs only according to the understanding of the business owner and according to the business needs listed in the income statement.

TABEL 1.3: Ganis Collection Profit And Loss Report As Of March 31, 2023

Sales	Rp 11,695,000		
Sales Discount	Rp 1,626,463		
		Rp 10,068,537	
Cost of Goods Sold		Rp 6,273,458	
			Rp 3,795,079
Operational Cost		Rp 310,000	

Postage Costs		Rp 950,000	
			Rp 1,260,000
NET PROFIT			Rp2,535,079

MSME enterprises Arna Snack and Ganis Collection already have basic accountingconcepts even though they are still simple. This fact indicates that there are still many MSMEs in Semarang who are not fully aware of the importance of preparing financial reports. Based on the results of the study, it is known that the analysis of the application ofSAK EMKM to MSMEs in Semarang City with SAK EMKM indicators in the form of financial reports, income statements and notes on financial statements, that most of the MSMEs studied have not applied EMKM financial accounting standards to their business financial records. Of the ten SMEs studied, only Ganis Collection only makes financial reports.

Obstacles Faced in Preparing Financial Statements

Through interviews and observations, several obstacles can be identified by MSME owners in the city of Semarang in preparing financial reports as follows:

Many MSME owners do not have an educational background in accounting, making it difficult for them to understand and implement the accounting principles that apply in preparing financial reports.

Limited quality and skilled human resources in the field of accounting so that the task of recording financial reports is carried out unprofessionally or even does not have sufficient knowledge.

Limited time. MSME operational activities often require a lot of time and energy so that it is still difficult to make financial reports.
MSME owners are still lacking in accessing the technology needed in the process of preparing financial reports.

The lack of socialization and training from local governments regarding the importance of preparing and implementing financial reports based on SAK EMKM.

CLOSING

Conclusion

Based on research from 10 MSMEs, it shows that the financial records carried out by 8MSMEs are still simple, only reflecting the recording of product sales results, and havenot made financial reports so that the application of SAK EMKM cannot be carried out.There are 2 MSMEs that have prepared simple financial reports for recording their business operational activities according to the knowledge of the business owner but have not been able to implement SAK EMKM. Obstacles that cause financial reports based on SAK EMKM have not been implemented properly due to limited knowledge and understanding of financial reporting standards, low quality of human resources and lack of training or financial report management programs from related institutions.

Suggestion

Here are some suggestions that can be given based on research results:
MSMEs in Semarang City can consider using a more structured financial recording system in accordance with SAK EMKM. MSME owners need to have a commitment to prepare regular and consistent financial reports. With this

discipline, MSMEs can have accurate financial data to make the right economic decisions and to monitor goodbusiness development.

For the government or related agencies to be able to provide outreach, training and guidance to help apply SAK EMKM to MSME actors so that the recording of financialreports in accordance with SAK EMKM can apply effectively.

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CORPORATE SOCIAL RESPONSIBILITY, INTELLECTUAL CAPITAL DISCLOSURE, AND BUSINESS RISK TO COMPANY VALUE WITH COMPANY SIZE AS A MODERATION VARIABLE

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ABSTRACT

The purpose of this study was to determine the effect of Corporate Social Responsibility, Intellectual Capital Disclosure, and Business Risk on Firm Value with Firm Size as a moderating variable in mining sector manufacturing companies listed on the Indonesia Stock Exchange (IDX). The research time period used is 5 years, namely 2017-2021. The population in this study includes mining sector manufacturing companies listed on the Indonesia Stock Exchange for the period 2017-2021 with a sampling technique that uses purposive sampling. The type of data used is secondary data obtained from the official website of the IDX and the company. The data analysis technique used is panel data regression. The results of the study stated that Corporate Social Responsibility and Intellectual Capital Disclosure had an effect on firm value, while business risk and firm size had no effect on firm value, and firm size could not moderate Corporate Social Responsibility on firm value, firm size could not moderate Intellectual capital disclosure on Firm Value, and Company Size cannot moderate Business Risk to Firm Value.

Keywords: *Firm Value, Corporate Social Responsibility, Intellectual Capital Disclosure, Business Risk, and Company Size as Moderating Variables*

INTRODUCTION

The economic growth rate in Indonesia is growing, especially companies listed on the Indonesia Stock Exchange (IDX). The development of companies that are now growing will trigger competition between industries so that many companies are competing to increase the value of their companies to be attractive in front of investors who want to invest their finances in the company.

Several cases have occurred in mining sector companies and become problems that must be resolved immediately. The pace of the Composite Stock Price Index (JCI) has not been able to move from the red zone at the close of the first session of stock trading, (Tuesday, January 9, 2021). The mining sector led declines among 10 stock sectors. By sector, most sectors weakened led by the mining sector slumped 2.83%, then the basic industrial stock sector fell 1.28% and the construction stock sector slumped 1.3%. (Source: Liputan6.com).

With the existence of Corporate Social Responsibility and Intellectual Capital Disclosure, it is expected to reduce risks, especially against business risks originating from the company, because business risks affect the quality of the company (Ratri and Christianti, 2017).

According to Mouritsen (1998) Intellectual Capital has a broad knowledge capacity owned by companies. Intellectual Capital is an intangible asset that has a high value so that it becomes a vital asset for the company, because Intellectual

Capital Disclosure can advance the quality of the company so as to increase the value of the company. This progress can be published in the Annual Report which contains valid information for investors in making decisions.

So in this case the researcher wants to analyze several factors that can affect Company Value using the following variables: Corporate Social Responsibility, Intellectual Capital Disclosure, and Business Risk with company size as moderation in Mining Sector Manufacturing Companies listed on the Indonesia Stock Exchange for the period 2017 – 2021. In this study there is a research gap from previous research that shows the results of research from several factors that affect company value.

Theory

Stakeholder theory and signal theory as the basis of this study, Stakeholder is an explicit system about an organization and the environment, justifying the nature of the interplay between the two in a complex way. To be able to meet the wishes of stakeholders, companies can implement a Corporate Social Responsibility (CSR) system, to be able to satisfy the wishes of stakeholders with the aim of improving company performance and profits and can affect company value. Companies also need to present information related to intellectual capital disclosure (ICD), in order to create added value or added value for the company.

Signal Theory (Signalling Theory) was proposed by Spence (1973), which states that the sending party (owner of information) provides a signal or signal in the form of information that reflects the condition of a company that is beneficial to the receiving party (investor). This theory is useful for investors to give signals before investors invest and make decisions.

RESEARCH HYPOTESIS

The Influence of Corporate Social Responsibility (CSR) on Company Value

Previous research has been conducted by Nyoman Tryadi Kusuma Yudha and Dodik Ariyanto (2022), Hesti Setiorini, Furqonti Ranidiah, Dinal Eka Pertiwi, and Adi Bambang Permadi (2022), I Putu Laksamana Narayana, Made Gede Wirakusuma (2021), revealed that Corporate Social Responsibility has a positive effect on company value. This shows that the better the implementation of CSR expressed by the company, the Company Value will increase. Based on the description above, the hypothesis proposed:

H1: Corporate Social Responsibility (CSR) affects Company Value.

The Effect of Intellectual Capital Disclosure (ICD) on Company Value

Following the research of Achmad Sidiq Pamungkas and Sri Maryanti (2017), Muhammad Rivandi, and Renil Septiano (2021) stated that Intellectual Capital Disclosure has a positive and significant effect on Company Value, the higher the disclosure of Intellectual Capital will encourage an increase in Company Value. Based on the description above the hypothesis proposed:

H2: Intellectual Capital Disclosure (ICD) affects the value of the company.

The Effect of Business Risk on Company Value

Muhammad Fuad Alamsyah, and Widyawati Malanua (2021) stated that Business Risk has no effect on Company Value, the higher the Business Risk in the company, the lower the Company Value. Based on the description above, the hypothesis proposed:

H3: Business Risk Affects Company Value

The Effect of Company Size on Company Value

Research by Jove Vernando and Teguh Erawati (2020), states that company size has a positive effect on Company Value. Based on the description above, the hypothesis proposed:

H4: Company Size Affects Company Value

Company Size moderates the influence of Corporate Social Responsibility (CSR) on corporate value

Supported by Sri Ayem's (2019) research, I Putu Laksamana Narayana, Made Gede Wirakusuma (2021), that Company Size can moderate CSR against company value. Because the size of the company is among the most widely used variables in explaining social responsibility made by the company in its annual report. Based on the above description of the hypothesis proposed:

H5: Company Size moderates the effect of corporate social responsibility on Company Value.

Company Size moderates the effect of Intellectual Capital Disclosure (ICD) on Company Value

Previous research has been conducted by Endang Pujiati and Agus Wahyudin (2018) stated that Company Size significantly moderates Intellectual Capital Disclosure. Large and small companies have complex relationships with stakeholders, one of which is through the disclosure of knowledge information based on human resources owned by the company. Based on the above description of the hypothesis proposed:

H6: Company Size moderates the effect of Intellectual Capital Disclosure on Company Value

Company Size moderates the effect of Business Risk on Company Value

The increasing business risk will lead to an increase in the use of debt as the company's capital structure. Thus, low business risk will increase the value of the company. Supported by Slamet Mudjijah's research, Zulvia Khalid and Diah Ayu Sekar (2019) stated that Company Size can moderate the effect of Business Risk on Company Value.

H7: Company Size moderates the effect of business risk on Company Value.

Research Methods

This study uses a quantitative approach, with sampling techniques in this study using purposive sampling techniques. The object of this study uses data in the form of Financial Statements from Mining Sector Manufacturing Companies listed on the Indonesia Stock Exchange for the period 2017 – 2021, therefore the source of data used in this study is secondary data.

CONCLUSION

Before conducting regression testing on the research sample, it is necessary to parse the data with descriptive statistical analysis. Here are the Descriptive Statistical Results in table 4.11:

Tabel 4.11:Descriptive Statistical Test Results

Date: 09/13/22 Time: 18:00Sample: 2017 2021					
NP		CSR	ICD	RISIKOBISNIS	SIZE
Mean	1.647250	0.594375	7.387250	0.233500	24.62500
Median	1.000000	0.544500	7.060000	0.210000	29.00000
Maximum	6.750000	0.779000	16.63000	0.700000	29.00000
Minimum	0.440000	0.478000	1.760000	0.020000	13.00000
Std. Dev.	1.556350	0.109043	4.097242	0.161079	6.032763
Skewness	1.955428	0.547253	0.411010	0.776127	-0.909055
Kurtosis	6.165870	1.688212	2.284771	3.323357	2.087881
Jarque-Bera	42.19588	4.864551	1.978784	4.190083	6.895802
Probability	0.000000	0.087837	0.371803	0.123065	0.031812
Sum	65.89000	23.77500	295.4900	9.340000	985.0000
Sum Sq. Dev.	94.46680	0.463727	654.7082	1.011910	1419.375
Observations	40	40	40	40	40

Source: Data processed EViews 12.0, 2022

\ *Based on the tests that have been carried out in this study, the following conclusions were obtained:*

In this study, Corporate Social Responsibility partially affects Corporate Value. This result is in accordance with stakeholder theory, because CSR activities will provide positive appreciation from investors to companies with an increase in stock prices to assess the sustainability potential of a company.

Intellectual Capital Disclosure has no partial effect on Company Value. This is because the higher or lower the amount of Intellectual Capital Disclosure, it has no effect on Company Value because investors do not consider intellectual capital disclosure as an assessment of a company.

Business Risk partially does not affect the Company's Value in the company. Companies that face high business risk will avoid using high debt to fund their operations. Overall, the higher the level of business riskin the company, the higher the profit that will be obtained by the company.

Company Size partially affects Company Value, because the larger the company size the greater access to external funds and visibility in the economy, so that a large company size can drive an increase in Company Value.

The size of the Company in moderating Corporate Social Responsibility partially affects the Corporate Value, because the larger the size of the company has a social responsibility to express wider CSR, besides that companies with a good image in the eyes of investors become the main focus in assessing a company so that it can moderate Corporate Value.

The size of the Company in moderating Intellectual Capital Disclosure partially has no effect on Company Value. This happens because the size of the company does not affect the information that the company providesto investors in making investment decisions.

The size of the Company in moderating Business Risk partially has no effect on Company Value. The size of the company size will be assumed to be able to manage business risks well, so that the company is said to behealthy and investors will not mind it so that it cannot affect the CompanyValue.

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THE ROLE OF E-COMMERCE IN MEDIATING THE EFFECT OF FINANCIAL LITERACY ONMSME BUSINESS PERFORMANCE IN MALANG CITY

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ABSTRACT

This study aims to analyze the effect of financial literacy on e-commerce, analyze the effect of financial literacy on business performance, analyze the effect of e-commerce on business performance, and analyze the effect of financial literacy on the business performance of MSMEs in Malang City through e-commerce. The number of samples in the study was 100 SMEs. Data analysis technique using SEM-PLS. The results of the analysis show that financial literacy has an effect on e-commerce. Financial literacy affects the performance of MSME businesses.E-commerce has an effect on the performance of MSME businesses. Financial literacy affects the performance of MSME businesses through e-commerce. By utilizing E-Commerce as an intermediary, financial literacy can have a greater impact on the performance of MSME businesses in Malang City. E-Commerce provides a platform that can be accessed online, enabling MSMEs to easily access financial information. E-commerce can be a valuable source of information for MSMEs. Related parties must ensure that relevant information, including guides and tutorials regarding financial literacy, is easily accessible via the E-commerce platform. Well-structured information will help MSMEs understand the basic financial principles and apply them in MSME business operations.
Keywords: *Financial Literacy, E-commerce, Business Performance*

INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) play a significant role in the Indonesian economy. However, MSMEs often face various challenges, including limited access to markets and limited financial resources. To address these challenges, the use of e-commerce or electronic commerce has become an increasingly popular solution. Additionally, financial literacy is also an important factor that can affect the performance of MSMEs. Financial literacy refers to individuals' understanding of basic concepts and knowledge related to finance, including financial management, financial planning, investment, and wise financial decision-making. Good financial literacy enables individuals to manage their finances more effectively, make smart investment decisions, and minimize unwanted financial risks. The findings of Piyani et al. (2023) prove that financial literacy influences e-commerce.

Good financial literacy has a positive impact on the performance of MSMEs. When business owners have a good understanding of finance, they can manage the financial aspects of their business more efficiently. They can create a good budget, manage cash flow, and make appropriate investment decisions. Strong financial literacy also helps business owners understand the financial risks they may face and take necessary preventive actions. The research findings of Kasendah & Wijayangka (2019), Aribawa (2016), and Ramdhani et al. (2022) found that financial literacy affects the performance of MSMEs.

The use of e-commerce has transformed the business landscape of MSMEsin Indonesia, including in the city of Malang. By leveraging e-commerce platforms, MSMEs can significantly expand their market reach. They are not limited to a specific geographical area but can sell their products to customers throughout Indonesia and even internationally. E-commerce also allows MSMEs to reach potential customers at a lower cost compared to traditional physical stores. This expands opportunities for growth and success for MSMEs. The research findings of Arumaningtyas et al. (2022), Ramdhani et al. (2022), and Arianty et al. (2023) prove that e-commerce influences the performance of MSMEs. However, different from the findings of Triandra et al. (2019), which found that e-commerce does not affect the performance of MSMEs.

E-commerce acts as a mediator between financial literacy and the performance of MSMEs in the city of Malang. Through e-commerce platforms, MSMEs can access various financial resources and information needed to manage their businesses. For example, MSMEs can learn about financial planning, inventory management, financial analysis, and effective marketing strategies through online guides, webinars, and specialized discussion forums for business owners. Additionally, e-commerce provides valuable data and analytics for MSMEs. By tracking sales data, inventory, and customer behavior, business owners can gain better insights into their business performance. This data helps them identify market trends, adjust marketing strategies, and optimize their financial management. In this regard, e-commerce acts as a link between the financial literacy possessed by business owners and the business decisions made to enhance the performance of MSMEs.

HYPOTHESIS DEVELOPMENT

According to Jonni & Manurung (2009), financial literacy is a set of skills and knowledge that enables an individual to make effective decisions with all financial resources. Financial literacy plays a crucial role in the success of MSMEs in leveraging e-commerce. A good understanding of financial concepts enables MSMEs to manage financial aspects in the context of e-commerce more effectively. Financial literacy helps MSMEs in effectively managing online business finances. Business owners with good financial literacy can create online marketing budgets, analyze financial performance, and manage cash flow wisely. They can understand transaction costs, marketing expenses, and other costs related to their e-commerce business operations. With this understanding, MSMEs can optimize the use of financial resources and improve profitability. Furthermore, financial literacy also influences investment decisions in the contextof e-commerce for MSMEs. Business owners with a good understanding of financial literacy can analyze investment opportunities emerging in e-commerce,such as developing a better website, investing in online marketing strategies, or developing more advanced e-commerce platforms. With this knowledge, MSMEs can make smart investment decisions, understand the associated risks and potential profits, and allocate financial resources efficiently for business growth through e-commerce. The findings of Piyani et al. (2023) confirm that financial literacy influences e-commerce. Based on this description, the following hypothesis is developed:

H1: Financial literacy affects e-commerce.

According to icaksono & Nuvriasari (2012), business performance is the function of outcomes from activities within a company influenced by internal and external factors in achieving predetermined goals over a specific period. Financial literacy is the ability to understand and use financial information to make appropriate decisions about personal finance. The performance of MSMEs is their ability to generate profits and grow. There is a strong relationship between financial literacy and the performance of MSMEs. MSMEs with good financial literacy will be better able to manage their business finances. This will make them more efficient in utilizing their resources, resulting in higher profits. Moreover, MSMEs with good financial literacy will also be better able to make appropriate financial decisions, thereby reducing the risk of bankruptcy. The research findings of Kasendah & Wijayangka (2019), Aribawa (2016), and Ramdhani et al. (2022) show that financial literacy affects the performance of MSMEs. Based on this description, the following hypothesis is developed:

H2: Financial literacy affects business performance.

According to Ramanathan et al. (2012), e-commerce refers to the use of theinternet as a medium for sales/advertising in the context of B2B (Business to Business) and B2C (Business to Consumer), as well as facilitating communication in supply chain management. E-commerce provides access for MSMEs to expand their markets. By selling online, MSMEs are not limited by geographical boundaries or the physical location of their stores. They can reach customers in various locations, both within and outside the city of Malang. Through e-commerce platforms, MSMEs can attract a broader customer base and increase sales potential. By expanding their market, MSMEs have a greater opportunity to achieve significant business growth. E-commerce has a strong connection with the performance of MSMEs. Through e-commerce, MSMEs can expand their market, reduce operational costs, improve transaction efficiency, analyze data effectively, and strengthen brand awareness. Therefore, utilizing e-commerce effectively is an important step for MSMEs to improve business performance, achieve sustainable growth, and maintain business success in the digital era. The research findings of Arumaningtyas et al. (2022), Ramdhani et al. (2022), and Arianty et al. (2023) indicate that e-commerce affects the performance of MSMEs. Based on this description, the following hypothesis is developed:

H3: E-commerce affects business performance.

Financial literacy plays a crucial role in the success of MSMEs in utilizing e-commerce. A strong understanding of financial literacy helps MSMEs' business owners in effectively managing business finances in the context of e-commerce. MSMEs can manage online marketing budgets, analyze financial performance, manage cash flow, and make wise investment decisions. With this understanding, MSMEs can maximize the benefits obtained from e-commerce and improve financial performance. Furthermore, e-commerce provides opportunities for MSMEs to enhance business performance. Through e-commerce, MSMEs can significantly expand their market reach. They are no longer limited to physical store locations or specific geographical boundaries. By selling online, MSMEs can reach customers in various regions, including the city of Malang and other areas. This opens up new opportunities for increased sales, business growth, and overall performance. Based on this description, the following hypothesis is developed:

H4: E-commerce mediates the relationship between financial literacy and business performance.

RESEARCH METHODOLOGY

The research method that can be used is a quantitative study approach through a survey. This method involves collecting data through questionnaires given to MSME owners in the city of Malang. The questionnaire includes questions related to financial literacy, e-commerce, and business performance. The collected data is then statistically analyzed to test the relationships between these variables.

Financial literacy of MSMEs is the ability to understand and use financial information to make appropriate decisions about personal and business finance, measured with indicators referring to Fatoki (2014), which consist of (1) Financial planning, budgeting, and control, (2) Bookkeeping, (3) Understanding funding sources, (4) Business terminology, (5) Financial skills and information, and (6) Risk management. E-commerce refers to the buying and selling of goods or services through electronic media, such as the internet. In this study, the indicators used are based on Arumaningtyas et al. (2022), which consist of (1)

Perception of e-commerce utilization and (2) Perception of ease of use. Businessperformance indicators are based on Aribawa (2016), which consist of (1)Planned and executed work, (2) Frequency of work errors causing repetition, (3) Sales growth, (4) Decrease in fixed costs, (5) Production anticipation capability when demand increases, (6) On-time delivery to customers, and (7) Product compliance with offered specifications.

The population in this study is MSME operators in the food and beverage industry in the city of Malang, specifically the owners of food and beverage industries, totaling 1 person in each industry, with a total of 614 business units that serve as the population in this study. Hair et al. (2017) suggested several guidelines for determining the sample size for SEM-PLS, recommending a sample size between 100 and 200 when using maximum likelihood estimation, with a minimum sample of 50. Additionally, Hair et al. (2017) suggested that the sample size should be at least 5 to 10 times the number of parameters in the research model. Hair et al. (2017) also explained that the sample size should be equal to 5 to 10 times the number of manifest variables (indicators) of all the variables used in the study. Since the number of indicators in this study is 15, multiplying by five results in a minimum sample size of 75.

To account for potential non-returns or incomplete questionnaire responses and considering that a larger sample size is generally better, questionnaires weredistributed to 100 MSME operators in the food and beverage industry in the cityof Malang. The questionnaires were distributed through direct visits, using surveyors who have networks and communities, as well as using Google Forms sent to WhatsApp groups. The researcher distributed the questionnaires to 100 business operators with the assistance of surveyors who were familiar with and part of the MSME communities. Based on the received questionnaires, out of the100 business operators who received the questionnaires, only 90 were eligible tobe included as research samples. This is because some business operators did notcomplete the questionnaire or declined to participate, resulting in their exclusionfrom the sample.

Data analysis is performed by tabulating the data based on respondents' answers to the statements in the questionnaire. The data analysis technique used in the study is Structural Equation Modeling (SEM) analysis supported by the Partial Least Squares (PLS) software. This is chosen for several reasons: the model used is a structural model that is best represented in equation systems, and the variables used are constructs (Solimun et al., 2017) Partial Least Squares (PLS) analysis is a multivariate statistical technique that compares multiple dependent and independent variables. PLS is one of the SEM-based statistical methods designed to solve multiple regression problems when there are specific issues with the data, such as small sample size, missing data, and multicollinearity (Abdillah. & Jogiyanto, 2009).

RESULTS AND DISCUSSION

Reslts

The Structural Equation Model with Partial Least Squares (SEM-PLS) methodology was used to evaluate this research. Version 3.0 of SmartPLS was the PLS program used in this study, and the SEM-PLS output is presented in

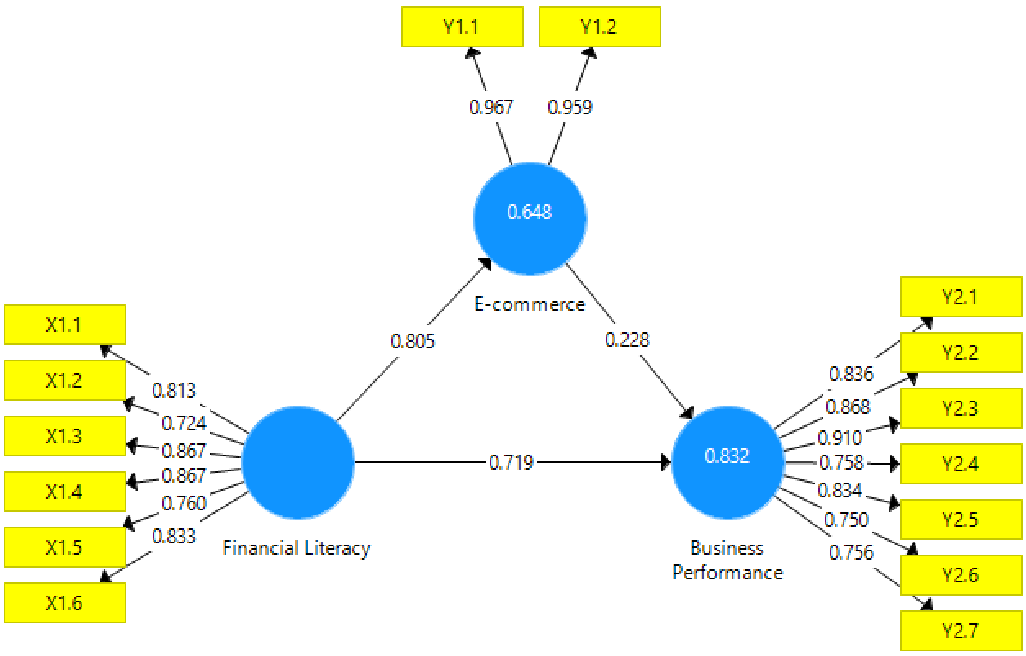

Figure 1. SEM-PLS Results

To test the validity of the studied indicators in explaining or reflecting latent variables, this research utilized cross-loading values and the square root of the average variance extracted (√AVE). An indicator is considered valid if the cross-loading value for that indicator on its corresponding variable is higher than the cross-loading value on other variables. Table 1 describes the testing of research data, and the results of discriminant validity calculation can be evaluated by considering the cross-loading values.

Table 1. Cross-Loading Values

Variable and Indicator	Financial Literacy	E-commerce	Business Performance
Financial literacy			
- Financial planning, budgeting, and control	0.813	0.634	0.707
- Bookkeeping	0.724	0.584	0.723
- Understanding funding sources	0.867	0.712	0.766
- Business terminology	0.867	0.687	0.745
- Financial skills and information	0.760	0.642	0.746
- Risk management	0.833	0.656	0.709
E-commerce			
- Perception of e-commerce utilization	0.815	0.967	0.815
- Perception of ease of use	0.731	0.959	0.734
Business performance			

- Planned and executed work	0.746		0.689	0.836
- Frequency of work errors causing repetition	0.783		0.709	0.868
- Sales growth	0.818		0.743	0.910
- Decrease in fixed costs	0.654		0.607	0.758
- Production anticipation capability when demandincreases	0.765		0.642	0.834
- On-time delivery to customers	0.665		0.582	0.750
- Product compliance with offered specifications	0.719		0.631	0.756

Source: Data processed, 2023.

If the highest cross-loading value on a construct and the cross-loading values on other constructs are lower, then the construct has good or satisfactory validity. The cross-loading results presented in Table 1 indicate that all indicators of financial literacy, e-commerce, and business performance have high levels of validity as explanatory factors.

The square root of the average variance extracted (AVE) can also be used to determine discriminant validity. An instrument is considered to have good discriminant validity if the square root of the AVE for each latent variable is higher than the correlation with other variables. The calculation results of the square root of the Average Extracted Variance (AVE) are shown in Table 2.

Table 2. Discriminant Validity Results

Construct	AVE	√AVE	Correlation coefficient		
			Business Performance	*E-commerce*	Financial Literacy
Business Performance	0.669	0.818	0.818		
E-commerce	0.928	0.963	0.806	0.963	
Financial Literacy	0.660	0.813	0.802	0.805	0.813

Source: Data processed, 2023.

The AVE values and their square roots are calculated to determine the discriminant validity of the variables. The square root of the AVE for eachvariable is higher than the correlations with other variables, indicating good discriminant validity.

Reliability of the structure indicators forming composite reliability is tested.If the value is higher than 0.60, the composite dependency findings are considered good. Cronbach's Alpha is also higher than 0.70.

Table 3. Composite Reliability Results

Construct	Composite Reliability	Cronbach's Alpha
Financial Literacy	0.934	0.916
E-commerce	0.962	0.922
Business Performance	0.921	0.896

Source: Data processed, 2023.

The results of the reliability test in Table 3 indicate that financial literacy, financial inclusion, e-commerce existence, and business sustainability have reliability coefficients exceeding 0.60, as well as Cronbach's Alpha values exceeding 0.70. As a result, the overall measurement model of the research has a high level of reliability.

HYPOTHESIS TESTING RESULTS

In SEM-PLS analysis, hypothesis testing results often focus on the statistical significance of the path coefficients between variables in the model. If the significance value is less than 0.05 (significance = 5%) or the t-statistic value exceeds the critical t-value, then the hypothesis can be accepted. The bootstrap approach can be used to obtain t-statistics for PLS analysis.

Table 4. Hypothesis Testing Results

Variable	Path Coefficient	T-Statistic	Sig	Result
Financial Literacy □ *e-commerce*	0.805	18.943	0.000	Significant
Financial Literacy □ Business Performance	0.719	9.585	0.000	Significant
E-commerce □ Business Performance	0.228	2.774	0.006	Significant
Financial Literacy □ *e-commerce* □ Business Performance	0.183	2.786	0.006	Mediation

Source: Data processed, 2023.

Based on Table 4, it can be explained that financial literacy significantly influences e- commerce, financial literacy significantly influences business performance, and e-commerce significantly influences business performance, as evidenced by the p-values being smaller than 0.05. Additionally, e-commerce mediates the relationship between financial literacy and business performance, as evidenced by the p-value being smaller than 0.05.

DISCUSSION

Impact of Financial Literacy on E-commerce

Financial literacy has a significant influence on e-commerce. In the digital era, financial literacy plays a crucial role in influencing the usage and success of e-commerce. A strong understanding of financial concepts helps individuals and businesses maximize the benefits of e-commerce, both as consumers and business owners. Financial literacy affects individuals' use of e-commerce as consumers. With a good understanding of financial concepts such as online transaction security, account management, and financial risk management, individuals can use e-commerce with confidence and intelligence. SMEs can recognize security signs in online transactions, understand the process of electronic payments, and manage personal budgets wisely when shopping online. This understanding helps individuals protect their finances and avoid risks associated with e-commerce.

A strong understanding of financial literacy helps SME owners manage thefinancial aspects of e-commerce effectively. SMEs can develop online marketing budgets, analyze return on investment (ROI), and manage business finances efficiently. Financial literacy also helps business owners understand the financial risks associated with e-commerce, such as data security risks, transaction costs, or policy changes. With this understanding, they can take appropriate preventive measures, manage risks wisely, and achieve success in harnessing the potential of e-commerce for business growth. This finding supports the research by Piyani et al. (2023), which found that financial literacy influences e-commerce.

Impact of Finansial Literacy on Business Performance

Financial literacy significantly influences the business performance of SMEs. Financial literacy helps SME owners develop effective financial planning. They can identify appropriate sources of income and expenditure, as well as set short-term and long-term financial goals. With good planning, SMEs can manage their cash flow better and avoid financial difficulties. Financial literacy makes business owners understand the importance of managing cash flow carefully. SMEs can regularly monitor income and expenses, analyze trends, and identify areas where expenses can be reduced or revenue can be increased. By managing cash flow efficiently, SMEs can avoid liquidity problems and ensure smooth operational continuity. Financial literacy prepares business owners to make wise investment decisions. SMEs can understand various investment instruments, associated risks, and potential returns. With this knowledge, they can evaluate emerging investment opportunities, identify those that are most suitable for business goals, and make smart decisions for long-term growth.

SMEs often rely on loans or credit to finance their operations and business expansion. In this regard, financial literacy plays a crucial role in ensuring sound debt management. Business owners with a good understanding of financial literacy can manage debt wisely, understand interest rates, loan terms, and payment obligations. SMEs can plan regular debt repayments and avoid financial problems that may arise from delayed or irregular payments. Financial literacy helps business owners understand the financial risks that businesses may face. With knowledge of risks such as market fluctuations, policy changes, or unexpected financial situations, they can take appropriate preventive actions. This finding supports the research by Kasendah & Wijayangka (2019), Aribawa (2016), and Ramdhani et al. (2022), which found that financial literacy influences business performance of SMEs.

Impact of E-commerce on Business Performance

E-commerce has a significant influence on improving the business performance of SMEs in Malang. Through e-commerce, SMEs can expand their market reach significantly. They are no longer limited by geographical boundaries or physical store locations. By selling online, SMEs can reach customers throughout Malang city, even beyond the city or country. This opens up new opportunities to increase sales and business growth. Operating online through e-commerce can reduce operational costs for SMEs. They do not need to rent or maintain expensive physical stores and can reduce overhead costs such as electricity, water, or rent. Additionally, online marketing costs tend to be more affordable compared to traditional marketing. By reducing operational costs, SMEs can allocate their resources more efficiently and improve profitability.

E-commerce provides convenience in transaction processes and payments. SMEs can accept payments through various methods such as bank transfers, credit cards, or digital wallets. This convenience not only enhances customer convenience but also accelerates cash flow for SMEs. With smoother and faster transactions, SMEs can improve their operational efficiency and reduce the risk of lost sales due to payment constraints. E-commerce provides powerful data analysis tools and features. SMEs can track and analyze sales data, customer preferences, market trends, and product performance more easily. This information helps SMEs understand customer needs, identify purchasing patterns, and adjust their marketing strategies. By utilizing in-depth data analysis,SMEs can make smarter decisions and enhance the effectiveness of marketing campaigns. Through e-commerce, SMEs can build brand awareness and enhancebrand image. By optimizing product pages, photo galleries, and compelling descriptions, SMEs can attract the attention of potential customers and build stronger relationships with them. By expanding their online presence, SMEs cangain greater exposure, improve business reputation, and strengthen brand image.This finding supports the research by Arumaningtyas et al. (2022), Ramdhani et al. (2022), and Arianty et al. (2023), which demonstrate that e-commerce influences SME performance. However, this study's findings do not support Triandra et al.'s (2019) research, which found that e-commerce does not influenceSME performance.

Impact of Financial Literacy on Business Performance through E-commerce

E-commerce can mediate the relationship between financial literacy and business performance of SMEs. High financial literacy makes SMEs more capable of managing their business finances effectively. This makes them more efficient in utilizing their resources, resulting in higher profitability. E-commerce can help SMEs reach a wider market, not only in their local area but also throughout Indonesia and even internationally. This can increase SMEs' sales and revenue. E-commerce can also help SMEs reduce operational costs, such as store rental, employee costs, and transportation expenses. This can increase SMEs' profitability. E-commerce can also help SMEs improve business efficiency in areas such as order processing, payment, and product delivery. This can enable faster business growth and success. SMEs with good financial literacy are more likely to leverage e-commerce to improve their business performance. They understand how to use e-commerce to reach a wider market, reduce operational costs, improve business efficiency, and enhance customer satisfaction. This leads to faster business growth and success. SMEs with good financial literacy are more likely to create a website or online store, understand how to use e-commerce to promote and market their products and services, easily manage their business finances online, find it easier to obtain financing from financial institutions, and receive support from the government.

Overall, the findings of this study highlight the importance of financial literacy and e-commerce in improving the performance of SMEs. Financial literacy plays a significant role in enabling SMEs to effectively manage their finances, make wise investment decisions, and mitigate financial risks. E-commerce provides SMEs with opportunities to expand their market reach, reduce operational costs, improve business efficiency, and enhance customer satisfaction. By leveraging financial literacy and e-commerce effectively, SMEs can achieve sustainable growth and success in the digital era.

CONCLUSION AND RECOMMENDATIONS

Conclusion

Financial literacy has a significant influence on the usage and success of e-commerce. A strong understanding of financial literacy affects how individuals use e-commerce as consumers and how business owners utilize it for business success.

A good understanding of financial literacy has a significant positive impact on the performance of SMEs in Malang. Financial literacy enables business owners to manage financial aspects efficiently, plan effectively, make wise investment decisions, manage debt healthily, and anticipate financial risks.

E-commerce has a significant positive influence on the business performance of SMEs in Malang. By leveraging e-commerce, SMEs can expand their market, reduce operational costs, enhance transaction convenience, analyze in-depth data, and strengthen brand awareness.

E-commerce plays a vital role as a mediator between financial literacy and the business performance of SMEs in Malang. Through e-commerce platforms, SMEs can access financial resources, financial planning information, inventory management, financial analysis, and effective marketing strategies. By utilizing e-commerce optimally, SMEs can enhance their understanding of financial literacy and apply it to business management. This can improve business performance, expand market reach, and achieve better growth in this digital era.

RECOMMENDATIONS

SMEs should enhance financial literacy among the community and businessowners as an important step in achieving maximum benefits from e-commerce and maintaining financial security and growth in the evolving digital environment. SMEs in Malang should make good use of the potential of e-commerce, including through the use of relevant e-commerce platforms, effective digital marketing strategies, and careful management of their online business operations. By doing so, SMEs can improve business performance, expand market share, and achieve sustainable growth in the digital era. Business owners should enhance financial literacy through training, education, and access to relevant resources. This can enhance their business performance and achieve sustainable growth.

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THE EFFECT OF AUDIT COMMITTEE CHARACTERISTICS ON FIRM VALUE: EVIDENCE FROM ENERGYSECTORS IN INDONESIA

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ABSTRACT

Energy sector companies in Indonesia need to pay attention to and strengthen the characteristicsof their audit committees to increase company value. This study aims to examine the effect ofthe characteristics of the audit committee, especially the independence of the audit committeeand the frequency of meetings, on firm value in energy companies in Indonesia. The sample consists of 80 energy sector companies listed on the Indonesia Stock Exchange for the 2020- 2022 period. The empirical results of this study provide evidence of a significant effect of audit committee independence and meeting frequency on firm value. The conclusion drawn is that the characteristics of the audit committee play an important role in ensuring adequate audit quality, which leads to an increase in firm performance and an increase in firm value. The implication is that this research can become a foundation for companies to strengthen and improve their audit committee functions with the aim of increasing corporate value and meeting stakeholder expectations.
Keywords*: firm value, independence of the audit committee, frequency of meetings of the audit committee.*

INTRODUCTION

National development in Indonesia has led to significant growth in the energy sector. Energy consumption in Indonesia continues to increase in line with the progress of national development. The Ministry of Energy and Mineral Resources (ESDM) has noted that domesticenergy consumption has been on the rise over the past decade. Table 1 illustrates the phenomena occurring in energy companies in Indonesia related to company value. Based on Table 1. above, it is explained that the price-to-book value (PBV) from the sample indicate thatthe average PBV of energy sector companies experienced a decline from 2020 to 2022 due to low investor confidence in the future prospects of the companies. According to Qeshta (2021),the characteristics of the audit committee can affect company value, including the size of the audit committee, independence of the audit committee, frequency of audit committee meetings,and expertise of the audit committee.

Studies on the influence of audit committee independence, such as Chan & Li (2008), Afza & Nazir (2014), and Saddam et al. (2021), state that the independence and integrity of audit committee members are crucial for their financial oversight role. Similarly, research on the frequency of audit committee meetings, conducted by Zraiq & Fadzil (2018) and Qeshta (2021), found that the frequency of audit committee meetings is a supervisory action that can prevent financial reporting fraud. Syahriar (2012) examined the characteristics of audit committees on company value with earnings quality as a moderating factor.

Research on the impact of audit committee characteristics on company value in Indonesia is still limited. This study examines the influence of audit committee characteristics, including audit committee independence and audit committee activities, on company value. This researchis significant as there is a lack of studies investigating the impact of audit committee characteristics on company value in the energy sector companies in Indonesia.

Table 1: Value of Energy Sector Companies in 2020-2022

No	Name of firm	Code	Firm Value (PBV)		
			2020	2021	2022
1	PT. Mitra Investindo	MITI	-2.32	4.27	4.24
2	PT. Akbar Indo Makmur Stimec	AIMS	2.5	6.56	2.34
3	PT. AKR Corporimdo	AKRA	1.24	1.5	2.32
4	PT. Apexindo Pratama Duta	APEX	1.74	1.22	0.46
5	PT. Atlas Resource	ARII	2.32	1.41	0.87
6	PT. Ratu Prabu Energi	ARTI	-3.72	-2.11	-2.32
7	PT. Pelayanan Nasional Bina BuanaRaya	BBRM	1.87	2.5	1.57
8	PT. Batulicin Nusantara Maritim	BESS	2.8	7.54	1.23
9	PT. Astrindo Nusantara Infrastruktur	BIPI	0.39	0.39	1.19
10	PT. Borneo Olah Sarana Sukses	BOSS	1.48	-4.56	7.89

Source: www.idx.co.id data has been processed, 2023

Audit committee independence and firm value

The independence of the audit committee is defined as the proportion of audit committee members from external parties who are free from the interests of company owners and management (Al Farooque et al., 2020). Independence serves as the foundation for the effectiveness of the audit committee's performance. Research by Several studies such as Chan& Li (2008), Abdullah (2011), Aldamen et al. (2012), and Al-Matari et al. (2014) emphasize the importance of audit committee independence in delivering audit quality as it impacts company value.

H1: The independence of the audit committee has an effect on firm value.

Audit committee meeting frequency and company value

Audit committee meetings are essential in addressing agency problems and reducing information asymmetry (Qeshtaa & Ali, 2020). These meetings ensure that shareholders and investors have access to accurate and timely information for making informed financial decisions (Bhuiyan & D'Costa, 2020). Shatnawi et al. (2021) demonstrated that the frequency of audit committee meetings has an impact on firm value.

H2: The frequency of audit committee meetings has an effect on firm value.

METHODS

The population in this study is comprised of energy sector companies listed on the Indonesia Stock Exchange (BEI) for the period of 2020-2022, totaling 80 companies. The purposive sampling method was used, and the data source was obtained from the BEI website.

The value of the company

Company value is measured using the Price to Book Value (PBV) ratio. PBV is calculating thevalue of the company by comparing the price per share with the book value per share (Brighamand Houston, 2006:112). The book value per share is calculated by the quotient between shareholder equity and the number of outstanding shares.

$$\text{Price book value} = \frac{\text{Market Price per Share}}{\text{Book Value per Share}}$$

Audit Committee Independence

The proportion of audit committee independence is a comparison between the number of independent audit committee members and the total number of audit committee members in acompany, (Chan & Li, 2008).

$$\text{Audit Committee Independence} = \frac{\text{Total Audit Committee Independent Members}}{\text{Total Audit Committee Members}} \times 100\%$$

Frequency of Audit Committee Meetings

The frequency of audit committee meetings is expressed by the number of audit committee meetings held by the company. This measurement refers to research conducted (Zraiq & Fadzil, 2018; Qeshta, 2021). Frequency of Audit Committee Meetings = ∑ Company audit committee meeting in a year

RESEARCH RESULTS AND DISCUSSION

Based on the purposive sampling method, the number of samples based on the criteria obtainedas many as 48 companies with an observation period of 3 years from 2020-2022, so the total sample processed in this study totaled 144 observations.

Classic assumption test results

Table 2 results of all classical assumption tests show the results are not identified by the modelso that hypothesis testing can be continued.

Table 2:Classical Assumption Testing Results

Parameter	Normalitas *Asymp.sig (2-tailed)*	Multikolinearitas *Tolerance*	Heterokedastisitas *Sig*	Autokorelasi *DW*
Unstandrdized Res	0.77			
Audit Committee Independence		0.85	0.94	
Frequency of Audit Committee Meetings		0.85	0.76	
Durbin-Watson				1.91

Source: Secondary data processed

HYPOTHESIS TESTING RESULTS

The results of hypothesis testing can be seen in Table 3.

Table 3 Hypothesis Testing Results

Statistical test t	B	Sig.	Hypothesis Results
Constanta	1.02	0.04	
Audit Committee Independence	0.14	0.04	H1: Accepted
Frequency of Audit CommitteeMeetings	0.86	0.00	H2: Accepted
Statistic test F		Determination Coefficient Test	
Value F	1.75	R Square	0.001
Sig.	0.00	Adjusted RSquare	0.014

Source: Secondary data processed

DISCUSSION

Based on Table 2 the results of this study support the acceptance of hypothesis one, whichdemonstrates the impact of audit committee independence on firm value. These findings alignwith previous research conducted by Chan and Li (2008), Abdullah (2011), Aldamen et al. (2012), and Al-Matari et al. (2014), which indicate that having independent audit committee members, who are free from management or shareholder interests, enhances the supervision of the company's control system. However, research conducted by Higgins, et al. (2011) which states that audit committee independence has no effect on firm value, and research conducted by Zábojníková et al. (2016).

Similarly, the results of the second hypothesis are significant, providing evidence that thefrequency of audit committee meetings affects firm value. These findings align with previous studies by Zraiq and Fadzil (2018), Qeshta (2021), and Aldamen et al. (2012), indicating that an increased frequency of audit committee meetings contributes to mitigating agency problemsand enhances firm value by providing an effective mechanism for monitoring performance. However, from the perspective of the agency theory, Jensen (1993) revealed that boards should be inactive and its activity reflects a reaction to adverse performance. Also, Al-Matari et.al (2014) believed that the more frequent the meetings are, the more likely they will lead to superior performance of the firm.

CONCLUSION

This study succeeded in proving that the characteristics of the audit committee in the form of audit committee independence and the frequency of audit committee meetings have an effect on firm value in energy sector companies in Indonesia. This indicates that having an independent audit committee can contribute to the overall performance and success of a company. Frequency of audit committee meetings has a positive and significant impact on firmvalue. This implies that active and regular engagement of the audit committee in reviewing financial activities and providing oversight can contribute to enhancing the overall performanceand value of a company.

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THE EFFECT OF INFLATION, INTEREST RATE, RUPIAH EXCHANGE RATEAND WORLD GOLD PRICES OF THE STOCK PRICE ON BUMN AT IDX PERIOD 2018 -2021

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ABSTRACT

This study aims to analyze the effect of inflation, interest rate, rupiah exchange rate and world gold prices of the stock price on state owned bank (BUMN) at Indonesia stock exchanges. The banks chosen for the study are Bank Negara Indonesia Tbk. (BNI), Bank Rakyat Indonesia Tbk. (BRI), Bank TabunganNegara Tbk. (BTN), and Bank Mandiri Tbk. The data used is data for 4 years from 2018 to 2021. The method determination sample in this study uses a purposive sampling technique. This study process used is quantitative method. The data analysis technique used was multiple liniear regression analysis which was processed using SPSS version 26. In this study the sample used amounted to 48 data from each variable, namely time series data from 2018 – 2021. The total data is 192 data. The results of thisstudy indicate that simultaneously inflation, interest rate, rupiah exchanges rate and world gold priceshave a significant effect on the state owned bank (BUMN). Partially, inflation and interest rate do not have significant on state owned bank (BUMN), but rupiah exchanges rate and world gold price have anegative effect and significant on the state owned bank (BUMN).
Keywords: *Inflation, Interest Rate, Rupiah Exchange Rate, World Gold Price*

INTRODUCTION

The capital market can simply be defined as a meeting place for capital owners or investors and other parties to trade stocks, bonds, and other securities using the services of securities traders. Excess funds will be invested and companies that need funds will be listed as issuers through initial public offerings of securities (stocks/bonds) (Wardoyo, 2012). Bank Indonesia (BI) Governor Perry Warjiyo sees that global economic conditions will still be dark in the future. First, the global economic slowdown. Second, BI sees global inflation as very high. Third, in advanced economies aggressive interest rate hikes. Fourth, an increase in the Fed Fund Rate will increase the dollar index. Finally, Perry emphasized that BI pays attention to risks from investor perceptions. "In uncertain conditions, there is a tendency for investors to withdraw from emerging markets and pile into cash," he said. As a result, the phenomenon of cash is the king will coloring the market in the future. (Putri C. A., 2022)

This condition is of course a concern for the future. Therefore, it can be understood that a state-owned bank is a commercial bank that provides services to the public with the aim of seeking profit, and some or all of its capital comes from state-owned assets separated in the form of shares. Considering that BUMN Banks (State Owned Bank) involve various World Bank stakeholders such as customers/depositors, shareholders, the government and others. BUMN Banks need to focus on and maintain their performance as a shareholder's obligation. So is a separate risk for investors because instead of capital gains, investors can experience capital loss if they make the wrong decision. Therefore, investors must understand what causes fluctuations in stock prices. Thus, investors must understand what causes fluctuations in stock prices. So that through the influence of economic factors, investors can still invest in state-owned banks.

CONTENT METHOD

This study aims to test hypotheses and theories, and show the relationship between dependent and independent variables. The method used in this study is quantitative research method with multiple regression analysis. According to Sugiyono (2019, page.133) The sample method is saturated when sampling with a relatively small population. Saturated samples are also often interpreted as samples that are already maximum, because adding any amount will not change the representation of the population. The samples in this study were taken by purposive sampling method with representative sample selection criteria in accordance with the specified criteria.

RESULT

Table 1. Output SPSS t test

Coefficients[a]

Model	Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
(Constant)	22595.023	2226.861		10.147	.000
Inflation (%)	-70.296	165.363		-.425	.673
Interest Rate (%) Rupiah	80.181	119.764	-.064	.669	.507
Exchange Rate(Rp)	-1.026	.129	.087	-7.930	.000
World Gold Prices (USD)	-2.085	.602	-.566	-3.466	.001
			-.605		

Partial Test (t test)

The t test is used to see the effect partially or each independent variable in this study is inflation, interest rates, rupiah exchange rates and world gold prices on the dependent variables of stock prices of state-owned banks.

Inflation in partial has no significant effect on the stock prices of state-ownedbanks

From the table above, it shows a calculated t value of inflation is -0.425 and a significant level of 0.673. Then in the table t value obtained from the distribution t is sought at a significance of 5% or 0.05 and degrees of freedom (df) n-k-1 or 48-4-1 = 43, obtained t table of 2.017 it can be concluded that the inflation variable (X1) individually has no effect on the share price of state-owned banks. The inflation partially has no significant effect on the stock price of state-owned banks at Indonesia Stock Exchange.The results of this study are in line with research conducted by Suharni & Akbar (2021) which stated in their research that inflation does not have a significant influence on stock prices because the inflation rate tends to be stable, investors will only be more careful in making investment decisions.

Interest rate in partial has no significant effect on the stock prices of state-owned banks

From the table above, it shows a calculated t value of interest rate is 0.669 and a significant level of 0.507. Then in the table t value obtained from the distribution t is sought at a significance of 5% or 0.05 and degrees of freedom (df) n-k-1 or 48-4-1 = 43, obtained t table of 2.017 it can be concluded that the interest rate variable (X2) individually has no effect on the share price of state- owned banks. The interest rate partially has no significant effect on the stock price of state-owned banks at Indonesia Stock Exchange. The results of this study are in line with research conducted by Maronrong & Nugrhoho (2017) stating that there is a fairly stable decline consistency so that the value of interest rates does not affect stocks. This stable interest rate value is influenced by government policy in order to adjust interest rates in the market.

Rupiah exchange rate in partial has significant effect on the stock prices of state-owned banks

From the table above, it shows a calculated t value of rupiah exchange rate is -7.930 and a significant level of 0.000. Then in the table t value obtained from the distribution t is sought at a significance of 5% or 0.05 and degrees of freedom (df) n-k-1 or 48-4-1 = 43, obtained t table of 2.017 it can be concluded that the rupiah exchange rate variable (X3) individually has effect on the share price of state-owned banks. The rupiah exchange rate partially has a negative and significant effect on the stock price of state-owned banks at Indonesia Stock Exchange. The results of this study are in line with research conducted by Istamar, Sarfiah, & Rusmijati (2019) stating that due to the rupiah exchange rate from year to year, the average weakens or depreciates by the US Dollar and will automatically affect stock prices.

World gold prices in partial has significant effect on the stock prices of state-owned banks

From the table above, it shows a calculated t value of world gold prices is -3.466and a significant level of 0.000. Then in the table t value obtained from the distribution t is sought at a significance of 5% or 0.05 and degrees of freedom (df) n-k-1 or 48-4-1 = 43, obtained t table of 2.017 it can be concluded that the world gold prices variable (X4) individually has effect on the share price of state-owned banks. The world gold price partially has a negative and significant effecton the stock price of state-owned banks at Indonesia Stock Exchange. The results of this study are in line with research conducted by Andriyani and Budiman (2021) which states that world gold prices have an influence on stock prices. Thisis because the price of gold always increases from year to year.

Simultaneous Test (F test)

Test f is used to see the effect simultaneously or simultaneously of independent variables in this study are inflation, interest rates, rupiah exchange rates and world gold prices on the dependent variables of stock prices of state-owned banks.

Table 2. Output SPSS F test

ANOVA[a]

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	27746030.072	4	6936507.518	41.930	.000[b]
	Residual	7113586.666	43	165432.248		
	Total	34859616.738	47			

a. Dependent Variable: Harga Saham Bank BUMN (BNI,BRI,BTN,Mandiri) (Rp)

b. Predictors: (Constant), Harga Emas (USD), NIlai Tukar Rupiah (Rp), Suku Bunga (%), Tingkat Inflasi (%)

Inflation, Interest Rates, Rupiah Exchange Rate and World Gold Price simultaneously have a significant effect on the Stock Price of State-Owned Banks at Indonesia Stock Exchange

Based on the table above, the result of F count is 41,930 and the significant level is 0.000, then in F calculate with a significance of 5% or 0.05, degrees of freedom 1 (df1) n-k-1 or 48-4-1 = 43 and degrees of freedom 2 (df2) = 4 obtained F table of 2.596. Based on these results, it can be seen that the calculated F is greater than the F table, namely 41.930 > 2.596. It can be concluded that inflation, interest rates, the rupiah exchange rate and world gold prices have a significant effect on the stock prices of state-owned banks together or simultaneously. The results of this study are in line with research conducted by Sebo & Nafi (2021) which stated that simultaneously the variables of inflation, interest rates, rupiah exchange rates and world gold prices have a significant effect on the company's stock price, which means that together the independent variables have a significant effect on the dependent variable.

CONCLUSION

Although partially inflation and interest rates has no a significant effect, itis better for investors to pay attention to these conditions when they want to invest and it is important for investors to pay attention to the rupiah exchange rate and world gold prices. Because all of these factors can affect changes in stock prices both on a macroeconomic and microeconomic basis so that investors can get benefit from changes in stock prices.

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THE INFLUENCE OF FUNDAMENTAL FACTORS ON STOCK PRICES (FOOD AND BEVERAGE SUB-SECTORS LISTED ON THE INDONESIAN STOCK EXCHANGE 2018-2021)

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ABSTRACT

The purpose of this study was to determine the fundamental factors on stock prices in food and beverage sub-sector companies listed on the Indonesia Stock Exchange in 2018-2021. The variables used are Earning Per Share (EPS),Price Earning Ratio (PER), Price to Book value (PBV), Net Profit Margin (NPM), and Debt to Equity Ratio (DER). The type of research used by the authoris quantitative research using secondary data. The population used in this study were 46 food and beverage sub-sector companies listed on the Indonesia Stock Exchange. Data analysis using descriptive statistics, classical assumption test consists of normality test, multicollinearity test, heteroscedasticity test and autocorrelation test. hypothesis testing using Multiple Linear Regression Analysis, t test and F test. From the test results of this study it is known that simultaneously EPS, PER, PBV, NPM, and DER have a significant effect on stockprices. partially EPS and PBV have a significant effect on stock prices while PER, NPM, and DER have no significant effect on stock prices.
Keywords: *Earning Per Share (EPS), Price Earning Ratio (PER), Price toBook value (PBV), Net Profit Margin (NPM), and Debt to Equity Ratio (DER), and stock price.*

INTRODUCTION

Economy Indonesia that increasingly growing, seen from number of company that listed on the Indonesia Stock Exchange (IDX). Things doneto obtain funding sources are by withdrawing funds from outside the company. Funds from outside can be obtained from the capital market. Market capital is a market for various long-term financial instrumentsthat can be traded, good bonds, shares, mutual funds dana, instruments derivatives nor instruments others. The Central Statistics Agency (BPS) noted, gross domestic product (GDP) on the basis of constant prices (ADHK) the food and beverage industry(mamin) amounted to Rp775.1 trillion in 2021. The value grew by 2.54% compared to the previous year (year on year/yoy) which amounted to IDR 755.91 trillion. Mamin industry classified as immune from the Covid-19pandemic. The industry continues to record positive growth on 2020 and 2021 or when outbreak attack. Although thus, growth ind ustry mamin indeed slower than normal. Before the Covid-19 pandemic hit, the growth of this industry was always above 7%.

Fundamental analysis is an analysis that estimates stock prices in the future by estimating the value of fundamental factors that affect stock prices in the future and applying the relationship of these variables so that the estimated stock price is obtained. In estimating the stock price, the most important step isto identify fundamental factors such as: government policies, economic growth, company sales growth, profit growth, dividend policy and so on. Refers to the financial statements in which there is a ratio of financial ratiosaccording to Suad Husnan in (Rochmah, 2017). Priantono et al. (2018) Stock price is a very important factor and needs to be considered by investors because the stock price shows the performance of the issuer which is one of the benchmarks for the success of a company as awhole. This proves the good results of the company that have a positive impacton the development of the company itself and will certainly attract investors.

Research results Dwinurcahyo and Mahfudz (2016) states that the variable *Earning per Share* (EPS), *Price Earning Ratio* (PER), *Price to Book Value* (PBV), *Debt to Equity Ratio* (DER) significant and simultaneous effecton stock prices. Research results Veronica and Pebriani (2020) states that thevariable *Return On Equity, Debt To Equity Ratio, Net Profit Margin*, and macroeconomics inflation, exchange rates, and interest rates simultaneously (together) affect stock prices. The reason for choosing the food and beverage sub-sector as the object of this study is because food and beverage companies are the largest support for the national economy, although their contribution tends to decrease from year toyear. The food and beverage industry is one of 9 sub-sectors of the non-oil and gas processing industry that posted growth in 2021. Meanwhile, 8 other sub-industries from 17 sectors contracted, so further research needs to be done.

CONTENTS

Data types and sources

The type of data used in research is quantitative data. The source of data used is secondary data in the form of financial statements in the food and beverage sub-sector companies listed on the IDX.

Population and samplePopulation

The population used in the study were 46 food and beverage sub-sector companies listed on the IDX.

Sample

Sampling research conducted by the method *purposivesampling.* Sampling with criteria:

Food and beverage sub-sector companies that are still listed on theIndonesia Stock Exchange.

Made a profit during the Research year (2018-2022).

Shares are still actively traded.

Have a complete annual report during the Research year.

Based on the above criteria, 17 companies were obtained as research samples. So that the sample obtained is as follows: 17 (Company) × 4 (number of observation years 2018-2021) = 68 data samples.

Table 1 : food and beverage sub-sector sample

No	Kode Saham	Nama Perusahaan
1	ADES	Akasha Wira International Tbk
2	BUDI	Budi Starch & Sweetener Tbk
3	CAMP	Campina Ice Cream Industry Tbk
4	CEKA	Wilmar Cahaya Indonesia Tbk
5	CLEO	Sariguna Primatirta Tbk
6	DLTA	Delta Djakarta Tbk
7	GOOD	Garudafood Putra Putri Jaya Tbk
8	HOKI	Buyung Poetra Sembada Tbk
9	ICBP	Indofood CBP Sukses Makmur Tbk
10	INDF	Indofood Sukses Makmur Tbk

11	MLBI	Multi Bintang Indonesia Tbk
12	MYOR	Mayora Indah Tbk
13	ROTI	Nippon Indosari Corpindo Tbk
14	SKLT	Sekar Laut Tbk
15	STTP	Sekar Laut Tbk
16	TBLA	Tunas Baru Lampung Tbk
17	ULTJ	Ultra Jaya Milk Industry & TradingCompany Tbk

HYPOTHESIS

Effect Of Earnings Per Share On Stock Price

thoughts, the following hypotheses can be concluded:
H_1 = *Earning Per Share* significant Kasmir (2019, p. 209) *Earning Per Share* is a ratio to measure the success of Management in achieving profits for shareholders. Research results from Ridho Dwinurcahyo and Mahfudz (2016), Okky Ainnur Rochmah (2017) and Nur Awani (2019) which show that EPS has a positive and significant effect on stock prices. Based on these effect on stock prices.

Effect Of Price Earning Ratio On Stock Price

Stiawan (2021, p. 13) Price Earning Ratio used to determine the influence of stocks that you monitor the price is cheap or still expensive. The results of research from Ridho Dwicahyo and Mahfudz (2016) states that PER significant effect on stock prices. According to research Ocky Ainnur Rochmah (2017) shows that PER no significant effect on the stock price. Based on these thoughts, the hypothesis can be concluded as follows:
H_2 = *Price Earning Ratio* significant effect on stock prices.

Effect Price to Book Value Terhadap Harga Saham

Stiawan (2021, p. 13) In stock fundamental analysis, PBV is the ratio of the stock price to the book value per share. This analysis is used to determine the price of a stock, the influence of expensive or cheap. The results of research from Ridho Dwicahyo and Mahfudz (2016) states that PBV significant effect on stock prices. Based on these thoughts, the hypothesis can be concluded as follows:
H_3 = *Price to Book Value* significant effect on stock prices.

Effect Of Net Profit Margin On Stock Price

Kasmir (2019, p. 237) Net Profit Margin is a ratio used to measure the ability of banks to produce *net income* from operating activities anyway. Research results from Meilin Veronica, Reny Aziatul Pebriani (2020), Matyani and Annisa Eka Septiani (2019) show that NPM has a significant effecton stock prices. According to Seger Priantono, Joni Hendra and Nova Dwi Anggraeni (2018), Intan, Hasna, Indun and Lusi (2020) NPM has no significant effect on stock prices. Based on these thoughts, the hypothesis can be concludedas follows:
H_4 = *Net Profit Margin* significant effect on stock prices.

Influence Debt to Equity Ratio Against The Stock Price

Kasmir (2019, p. 159) *Debt to Equity Ratio* is a ratio used to assess debt to equity. This ratio is sought by comparing all debt, including current debt with all equity. The results of previous studies according to Ridho and Mahfudz (2016), Nur Awani (2019), Meilin and Reny (2020), Intan, Hasna, Indun and Lusi (2020), Ocky (2017) show that DER has no significant effect on stock prices.

According to Seger Priantono et al (2018) states that DER significant effect on stock prices. Based on these thoughts, the following hypotheses can beconcluded:
H_5 = *Debt to Equity Ratio* significant effect on stock prices.

Earning Per Share, Price Earning Ratio, Price to Book Value, Net Profit Margin, Debt to Equity Ratio secara simultan berpengaruh terhadap HargaSaham. According to research from Ridho and Mahfudz (2016) shows that EPS, PER, PBV, and DER simultaneously and significantly affect stock prices. Menurut penelitian Seger Priantono, Joni Hendra dan Nova Dwi Anggraeni (2018) Variabel Current Ratio (CR), Debt To Equity Ratio (DER), Net Profit Margin (NPM), dan Return On Investment (ROI) simultaneously has a significant effect on share prices in Food and Beverage Companies Listed on the Indonesia Stock Exchange (BEI) in 2013-2016.
H_6 = *Earning Per Share, Price Earning Ratio, Price to Book Value, Net Profit Margin, Debt to Equity Ratio simultaneously affect stock prices.*

RESULTT TEST

Table 2: t test results

Coefficients[a]

Model		UnstandardizedCoefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1001,475	625,921		-1,600	,115
	EPS	12,847	1,120	,711	11,474	,000
	PER	16,078	13,283	,077	1,210	,231
	PBV	301,179	52,049	,418	5,786	,000
	NPM	1454,756	3120,899	,034	,466	,643
	DER	-8,345	373,419	-,001	-,022	,982

a. Dependent Variable: Harga Saham

Based on the t test results in the table it is known that:
The t table formula is Df = n - k = 68 - 5 = 63 so t table = 1.99
Earning Per Share (EPS)
The t_{count} value of EPS = 11.474, t_{count} (11.474) > t_{table} (1.99). Then the significance value of EPS is 0.000 < the significance level of 0.05 so it can be concluded that H_1 is accepted and H_0 is rejected, meaning that EPS partially has a significant effect on stock prices.
Price Earning Ratio (PER)
The t_{count} value of PER = 1.210, t_{count} (1.210) < t_{table} (1.99). Then the significance value of PER (0.231) > 0.05 significance level so it can be concluded that H_0 is accepted and H_1 is rejected, meaning that PER partially has no significant effect on stock prices.
Price to Book Value (PBV)
The t_{count} value of PBV = 5.786, t_{count} (5.786) > t_{table} (1.99). Then the significance value of PBV (0.000) < the significance level of 0.05 so it can be concluded that H_1 is accepted and $H_0$is rejected, meaning that PBV partially hasa significant effect on stock prices.
Net Profit Margin (NPM)

The t_{count} value of NPM = 0.466, t_{count} (0.466) < t_{table} (1.99). Then the significance value of NPM (0.643) > the significance level of 0.05 so it can beconcluded that H_0 is accepted and H_1 is rejected, meaning that NPM partially hasno significant effect on stock prices.

Debt to Equity Ratio (DER)

The t_{count} DER = - 0,022, t_{count} (- 0,022) < t_{table} (1,99). Then the significance value of DER (0.982) > 0.05 significance level so it can be concluded that H_0 is accepted and H_1 is rejected, meaning that DER partially has no significant effect on stock prices

Table 3: F test

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	807964098,197	5	161592819,639	66,673	,000[b]
	Residual	150267633,163	62	2423671,503		
	Total	958231731,360	67			

Dependent Variable: Stock price

Predictors: (Constant), DER, EPS, PBV, PER, NPM

The formula for finding F_{table}= dfl = n - k, dfl = 68 - 5 = 63 so that F_{table} = 2.36 isobtained. The value of F_(count of (66.673) > F_{table} (2.36) with a sig value. F 0.000 <0.05, proving that the variables Earning per Share (EPS),Price Earning Ratio (PER), Price to Book Value (PBV),Net Profit Margin (NPM), and Debt to Equity Ratio (DER) simultaneously affect stock prices in food and beverage companies listed on the Indonesia Stock Exchange.

COVER

Partially Earning Per Share (EPS) has a significant effect on stock prices. If the EPS value increases, the benefits obtained by investors will be greater and vice versa.

Partially Price Earning Ratio (PER) does not have a significant effect on stock prices. PER has no effect on stock prices because PER is not a ratio thatcan stand alone, there are other factors to consider besides PER such as business growth, stock liquidity levels.

Partially Price to Book Value (PBV) has a significant effect on stock prices. Naturally, the higher the PBV value, the more investors hope for higher returns.

Partially Net Profit Margin (NPM) has no significant effect on stock prices. This ratio is used to measure the profit rupiah generated on each sale and is adescription of the shareholders' profit as a percentage of sales.

Partially Debt to Equity Ratio (DER) has no influence on stock prices. A high DER value indicates that the company has a high risk so that investors tend to avoid it and result in decreased stock demand and trigger a decrease in stock prices.

Simultaneously Earning Per Share (EPS), Price Equity Ratio (PER), Price to Book Value (PBV), Net Profit Margin (NPM), and Debt to Equity Ratio (DER) have a significant effect on stock prices.

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ANALYSIS OF BONUS MECHANISM, TAXES, COMPANY SIZE AND FOREIGN OWNERSHIP ON TRANSFER PRICING

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ABSTRACT

This research is to analyze whether there is influence either partially or simultaneously on transfer pricing, bonus mechanisms, taxes, company size and foreign ownership. The research method used is quantitative approach analysis, and data testing uses Eviews 9. The population of this study is all mining companies listed on the Indonesia Stock Exchange for the 2018-2021 period. Determination of the sample using a purposive sampling technique obtained as many as 20 companies or 80 research data then became 10 companies, because 10 companies were affected by oulier, 40 data were obtained as research samples. The results and conclusions show that partially the bonus mechanism, taxes and company size do not have a significant effect on transfer pricing. Meanwhile, foreign ownership has a significant effect on transfer pricing, and simultaneously, bonus mechanisms, taxes, company size, and foreign ownership have a significant influence on transfer pricing.
Keywords: *transfer pricing, bonus mechanisms, taxes, company size and foreign ownership.*

INTRODUCTION

Business is something that is quite attractive to many companies as business people and economic actors. The rapid flow of globalization and technological developments is very inspiring. Companies do not limit themselves to one country. Through subsidiary companies and branch companies in many countries, many businesses are expanding their operations. Of course, this is one of the goals of the company, especially in achieving optimal profits, both in the form of increasing revenue and reducing existing expenses, such as how companies have the lowest possible tax burden so that company profits can be maximized. Because tax expenditures, especially for multinational businesses, will usually be high so that this does not happen, transactions between parent companies and subsidiaries are made simpler, for example, lower selling prices and then increase purchase prices below the average market price so that they experience losses so that both companies have advantage in paying less taxes than they should. this describes transfer pricing. Many cases have occurred in companies currently applying the concept of transfer pricing, for example, it is vulnerable to mining companies that have many relationships or special relationships with many foreign owners.

According to Yanti & Pratiwi, (2021) stated the results of his research that foreign ownership and company size had an effect on transfer pricing and taxes and bonus mechanisms had no effect on transfer pricing while according to Refgia et al., (2016) taxes and foreign ownership have an effect on transfer pricing, but the bonus mechanism and company size have no effect on transfer pricing. Apartfrom that according to Suprianto & Pratiwi, (2017) found the results of the studythat the tax burden has a positive effect while company size has a negative effectand foreign ownership has no effect on transfer pricing.

Based on this phenomenon, it is interesting to study further about how to analyze the effect of the bonus mechanism, taxes, company size and foreign ownership on transfer pricing in mining companies listed on the Indonesia Stock Exchange for the 2018-2021 period?

CONTENT

The research method used is quantitative approach analysis, and data testing uses Eviews 9. The population of this study is all mining companies listed on the Indonesia Stock Exchange for the 2018-2021 period. Determination of the sample using a purposive sampling technique obtained as many as 20 companies or 80 research data then became 10 companies, because 10 companies were affected by oulier, 40 data were obtained as research samples.

The research hypothesis is as follows:

H1: The bonus mechanism has a significant effect on transfer pricing.H2: Taxes have a significant effect on transfer pricing.

H3: Company size has a significant influence on transfer pricing. H4: Foreign ownership has a significant effect on transfer pricing.

H5: Bonus mechanisms, taxes, company size and foreignownership simultaneously have a significant effect on transfer pricing.

Determination of the model used in processing eviews 9 data in this study is using the Fixed Effect model because the results of the Chow and Hausman tests have the same results choosing the Fixed Effect test. The data has been normally distributed which can be seen in the graph below:

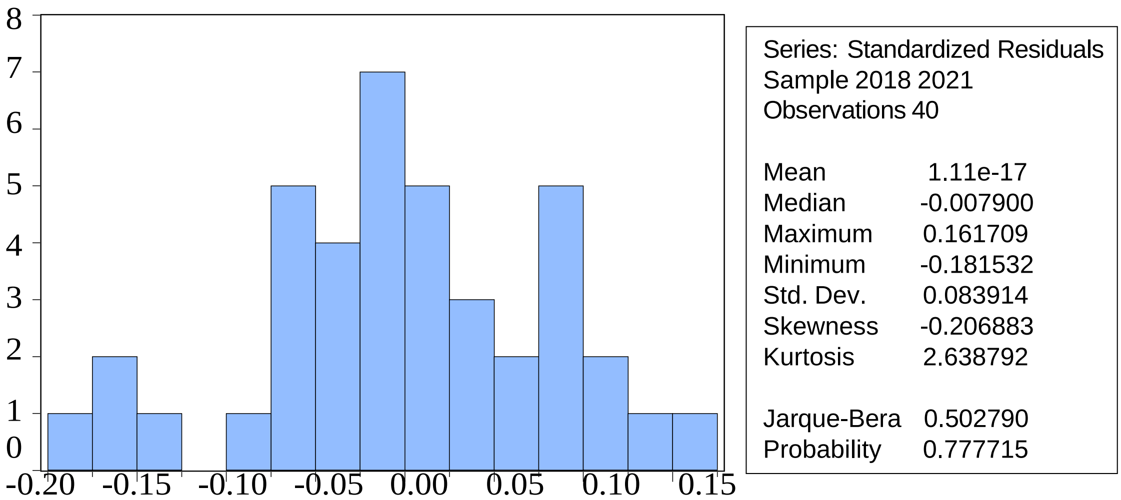

Figure 2. Data Normality Test Results

Furthermore, testing the classical assumptions of multicollinearity, heteroscedasticity and autocorrelation tests which have all been fulfilled, namely being free from these classical assumptions, can be seen in the following data:

Table 1. Multicollinearity Test

Variance Inflation Factors Date: 07/30/23
Time: 21:51Sample: 1 40
Included observations: 40

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	0.386687	174.3877	NA
MEKANISME_BONUS	0.000118	1.561139	1.195077
PAJAK	0.038167	4.022225	1.607137
UKURAN_PERUSAHAAN	0.002242	154.9256	1.250514
KEPEMILIKAN_ASING	0.001709	1.779701	1.395785

Table 2. Heteroscedasticity Test

Heteroskedasticity Test: Glejser

F-statistic	2.433368	Prob. F(4,35)	0.0656
Obs*R-squared	8.703525	Prob. Chi-Square(4)	0.0690
Scaled explained SS	7.099478	Prob. Chi-Square(4)	0.1307

Table 3. Autocorrelation Test

Breusch-Godfrey Serial Correlation LM Test:

F-statistic	0.408899	Prob. F(4,30)	0.8008
Obs*R-squared	2.016342	Prob. Chi-Square(4)	0.7328

The t and F test results can be seen in the following table:

Table 4. Fixed Model Regression

Dependent Variable: TRANSFER_PRICINGMethod: Panel Least Squares
Date: 07/30/23 Time: 21:41Sample: 2018 2021
Periods included: 4
Cross-sections included: 10
Total panel (balanced) observations: 40

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.660590	0.518308	1.274512	0.2138
MEKANISME_BONUS	-0.001802	0.004093	-0.440233	0.6634
PAJAK	-0.104656	0.087730	-1.192935	0.2437
UKURAN_PERUSAHAAN	-0.030906	0.040533	-0.762490	0.4526
KEPEMILIKAN_ASING	0.067328	0.028389	2.371593	0.0254

Effects SpecificationCross-section fixed (dummy variables)

R-squared	0.932302	Mean dependent var	0.283134
Adjusted R-squared	0.898453	S.D. dependent var	0.322515
S.E. of regression	0.102774	Akaike info criterion	-1.443357
Sum squared resid	0.274623	Schwarz criterion	-0.852249
Log likelihood	42.86714	Hannan-Quinn criter.	-1.229631
F-statistic	27.54310	Durbin-Watson stat	2.580302
Prob(F-statistic)	0.000000		

The output results above show an Adjusted R-squared value of 0.898453, which means that variations in the bonus mechanism, taxes, company size, and foreign ownership can explain 89.84% of the variation in transfer pricing variables. The remaining 10.16% is explained by other variables outside the model or those that are not examined.

The output results above show a statistical F value of 27.54310 with a probability of 0.000000. Because the probability is below 0.05, it can be concluded that the mechanism of bonuses, taxes, company size, and foreign ownership have a significant simultaneous effect on transfer pricing. As for the statistical t test output results show that:

The bonus mechanism, taxes and company size partially do not have a significant effect on transfer pricing, meaning that these variables are not the main factor in conducting transfer pricing, this exists because it is a factor in employee motivation and is not held for transfer pricing purposes besides thatcompany size is only an illustration from the description of the company formalone. This is in accordance with research Supriyati et al., (2021), Marfuah et al., (2021), Hikmatin & Suryarini, (2019), And Yanti & Pratiwi, (2021). Whereas,
Foreign ownership has a significant influence on transfer pricing. This indicates that when foreign ownership increases, it will affect the increase in transfer pricing and when foreign ownership decreases, transfer pricing decreases. This occurs because it is possible for a high relationship in the company to increase through more foreign ownership so that it can affect the action of transfer pricing. Thus this is in accordance with previous research, namely according to Yanti & Pratiwi, (2021), Rohaeni et al., (2021), And Refgia et al., 2016).

CONCLUSION

The conclusions of this study are:

The bonus mechanism, taxes and company size partially do not have a significant effect on transfer pricing, meaning that these variables are not the main factor in conducting transfer pricing, this exists because it is a factor in employee motivation and is not held for transfer pricing purposes besides thatcompany size is only an illustration from the description of the company formalone. Whereas,
Foreign ownership has a significant influence on transfer pricing. This indicates that when foreign ownership increases, it will affect the increase in transfer pricing and when foreign ownership decreases, transfer pricing decreases. This occurs because it is possible for a high relationship in the company to increase through more foreign ownership so that it can affect the action of transfer pricing.

SUGGESTION:

Future researchers: should be able to broaden the research object and research model, as well as other variables in order to better explain transfer pricing suchas tunneling incentive and debt covenant variables.

The government, hopefully, can review various policies related to the emergence of transfer pricing and work together with various experts or experts in their fields so as to reduce losses due to transfer pricing practices.

Investors need to be careful in investment decisions to assess the overall financial statement transactions at the company so that they are right in investing in shares so they don't suffer losses.

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THE IMPACT OF PSAK 71 ON VALUE RELEVANCE

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ABSTRACK

This study aims to investigate the effect of applying PSAK 71 on the relevance of earnings per share and the relevance of book value per share in thebanking sector which is listed on the Indonesia Stock Exchange. The research method used is a quantitative method. The research sample consisted of 45 companies in the banking sector that were listed on the Indonesia Stock Exchangefor 2018-2021 using a purposive sampling method. The data analysis technique used is multiple linear regression analysis. The results of this study indicate thatthe application of PSAK 71 has a positive effect on the relevance of earnings pershare and the application of PSAK 71 has a positive effect on the relevance of book value per share but the relevance of book value per share to stock price is a negative influence.
Keywords: *Stock Price, Earnings per Share, Book Value per Share, PSAK 71, Relevance of Accounting Information*

INTRODUCTION

After the implementation of PSAK 71, companies are required to establish CKPN using the expected loss method which causes companies to reserve more to reserve impairment losses at the beginning which results in the company's total assets after the provisions of PSAK 71 decrease which results in decreased profit performance so that it affects earnings per share to decrease, if EPS decreases, the demand for share prices also decreases and vice versa (Alifiono, 2022).

Book value is obtained from the statement of financial position which provides information on the net value of the company's resources. Book value is the amount of net assets owned by shareholders by obtaining one share (Fitri et al., 2016). The book value of equity is a ratio calculated by dividing total equity by the number of shares outstanding. Book value shows net assets (total equity) that can be obtained from total assets minus total debt (Fernandes, 2014) Equity can describe the welfare of shareholders, because if equity is low due to the large number of liabilities (debt), the company's profits will be limited even though the company does so much business. So this will affect the value of the company. In addition, the book value can be used to estimate the lower limit of the stock price that is tolerated, because the basis of the book value is considered a safe limit or safety plan measure in investing. The book value of a company will continue to increase along with the increase in company value, and vice versa. In addition, the book value is important to determine the capacity of the price per share of a share and in determining whether or not the share price is fair in the market (Suparyanto & Rosad, 2020).

Signal Theory

(Barth & Clinch, 2009) explains that signaling theory is signals based on asymmetric information. This asymmetric information can be minimized by providing additional information that is considered as a signal by external parties of the company. The concept of signal theory is that it indicates the market can react to a different classification of information that is seen as a good signal (good news) and a bad signal (bad news) (Goncharenko, 2021).

PSAK 71: Finansial Instruments-Impairment

Indonesian banks effectively implemented PSAK 71- Financial instruments on January 1, 2020, according the Financial Services Authority's (OJK) roadmap. PSAK 71 replaces PSAK 55, which had previously accepted IAS 39, with IFRS 9. The main difference between PSAK 71 and PSAK 55 is how the Allowance for Impairment Losses is determined.

Value Relevance

The ability of financial reports to capture and summarize corporate value is what (Blanco et al., 2017) and (Dewi et al., 2021) mean by the value relevance of accounting information. Accounting data is highly relevant to value because of the statistical correlation between accounting info and stock returns.

Earnings per Share (EPS)

Market recognition of a company's financial situation or management's ability to create market value above investment expenses can be gauged by looking at the company's earnings per share (EPS) (Arifin, 2020).

Book Value per Share (BVPS)

The net worth of a shareholder is represented by the book value per share. Book value per share is determined by dividing total shareholder equity by the number of outstanding shares, since net assets equal total shareholder equity (Danil & Yusra, 2019).

RESULT AND DISCUSSION

Table 1: T test result

Model		UnstandardizedCoefficients		Standardized Coefficients Beta	t	Sig
		B	std. Error			
1	(Constant)	6,327	1,183		5,347	.000
	T_EPS	2,858	.104	.912	27,359	.000
	T_BVPS	-1,354	.540	-.084	-2,506	013
	T_PSAK 71	3,698	1,328	093	2,783	006

The Effect of Post-Implementation of PSAK 71 on the Relevance of Earning Per Share Value

Based on the results of data analysis, it is known that H1 which states that the application of PSAK 71 has a positive effect on the relevance of the value of earnings per share received. These findings indicate that earnings per share will increase share prices because after the implementation of PSAK 71. By using the expected loss method in determining CKPN, banks can estimate losses in the future, with these estimated losses banks can take steps to anticipate the risk of default. The absence of default risk causes the assets (credit) distributed by the company to be safe or productive, these productive assets cause profit performance to increase so that it affects earnings per share to increase, if EPS increases then the demand for share prices also increases.

This research is in line with research (Alifiono, 2022) that the value of profit hasa value relevance of accounting information that has a positive effect and significant impact on banking stock prices. This positive influence shows that theinformation from the value of earnings is relevant so that management can makea decision and provide this information to the party concerned interested.

The Effect of Post-Implementation of PSAK 71 on the Relevance of Book Value Per Share

Based on the results of data analysis, it is known that H2 which states that the application of PSAK 71 has a positive effect on the relevance of the book value of shares received. The negative effect on the book value is that the book value of equity increases indicating that there are additional shares outstanding so that investors respond positively which causes the stock market price to fall (Fitri, 2016). This is because the book value that comes from the balance sheet providesinformation about the net value of the company's resources (Hamid, 2021). Fromthe results of the analysis carried out by measuring book value using total equitydivided by the number of shares outstanding. Some companies have a low profitvalue, most of the equity valuation will be shown by abnormal earnings and a small part is indicated by the book value of equity. However, some of the increasein the value of profits at the company was not followed by an increase in the bookvalue of equity, the book value was quite stable during the observation period.

The results of this study support the statement of Burgstahler and Dichev (1997)in Almilia and Sulistyowati (2007) which states that the book value of equity obtained from the balance sheet only provides information about net worth company resources in providing a measure of value reflects the results of the use of company resources, so the book value Equity has a low value effect if the company's activities experience gains and accounting profits have more information important as a determinant of equity value.

CONCLUSION

The adoption of PSAK 71 has a positive effect on the relevance of earnings per share in banking companies listed on the Indonesia Stock Exchange forthe 2018-2021 period. That is, after the implementation of PSAK 71, the relevance of earnings per share increases.

The adoption of PSAK 71 has a positive effect on the relevance of book value per share in banking companies listed on the Indonesia Stock Exchange for the 2018-2021 period and has a negative coefficient value onshare prices. That is, after the implementation of PSAK 71, the relevance of the book value per share increases, but the relevance of the book value per share to the stock price is a negative influence.

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SHIFTING IN ACCOUNTING MASCULINITY: INTEREST INSHARIA ACCOUNTING

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ABSTRACT

This study aims to reveal and explore how accounting masculinity begins to shift. Patriarchal culture began to shift and be eroded by gender equality which had an impact on interest in education. Currently, many majors that were previously considered only suitable for men are starting to be in demand and explored by women. This is none other than because parents began not to limit education for their daughters. This research is a qualitative research using a phenomenological approach which is used as a basis for a comprehensive description of individual speech and behavior to examine why many women choose accounting as their major. Important informants in this study were female students of Islamic accounting study programs. The results of the study show that the shift in accounting masculinity is influenced by the view that accounting is a job that requires precision, patience and caution which is considered more appropriate if done by women. Another reason is because parents no longer think that women will end up working at home, so the freedom to study knowledge erases patriarchal culture and further enhances gender equality.
Keyword : Gender, *Sharia Accounting, Patriarchal Culture*

IINTRODUCTION

Formm (2002) in his writing states that patriarchal culture has a very strong influence on people's lives in Indonesia, such as in Javanese and Balinese communities. Patriarchal culture is particularly visible when a boy masters or dominates in various roles compared to girls(Sakina, 2017). Especially in Bali, patriarchal culture is reflected as a form of Hinduism, the religion that is majority embraced by Balinese society. In Sanskrit, husband means Svami which means protector and a father who is highly respected in the family (Sujana & Gunawijaya, 2022). So that in everyday life and in nature the role of a man, especially a husband, is as a leader who holds power in the family, while a wife and her children are subordinates who must obey (Astawa, 2018). This culture is closely related to the family system adopted by the Balinese and Javanese people who outline that the family tree is based on the lineage of sons. Sons are considered as pancers of the family, successors of family lineage, successors of caste and family dignity (Panetje, 1986). Because of the family system, men are considered very important and number one in the family compared to girls.

But as modernization increases, the meaning and family system adopted begin to shift. At first, the assumption that boys are everything, as dominators in everything began to shift with the development of gender balance (Primasatya et al., 2023). This can be seen from the increasing opening of equal opportunities between men and women in terms of work, many companies that hire women for important positions at the manager level, and directors even today the minister of finance in Indonesia is a woman who is proof that, not only men have the right to lead. This phenomenon is also a concern in and needs to be observed, why today many accountants actually come from the female gender. From the basic level of education alone, we can see that the number of students majoring in accounting looks dominated by women. As seen at IAIN Syaikh Abdurrahman Siddik Bangka Belitung, the number of students majoring in Sharia Accounting in 2023 is 233 students, of which 164 are women. This is in stark contrast to the old paradox of Lehman (1996) mentioning that accounting is a discipline of masculinity, this cannot be separated because accounting is related to viewpoints and logical thinking and is analytic which all tend to be masculinity. Kirkham and Loft (1993) also support that accounting is a masculine profession. This masculinity that eventually drives the accounting profession is rarely in demand by women because it is often associated as a man's job.

However, when viewed from the data on the number of students of the Islamic accounting study program, it is found that the number of female students is more than the number of male students. The current accounting enthusiast data is very different from the old theory that has ever existed, this is indicated because parents are beginning to understand the equality of education for women and if it is connected with patriarchal theory, the data of Islamic accounting study program enthusiasts is contrary to the patriarchal theory which should have moremen than women. With this shifting phenomenon, there are several interesting things to be investigated further, about what are the reasons that encourage women to choose Islamic accounting study programs for their education? And whether this phenomenon is related to patriarchal ideology and gender ideology in choosing the Islamic accounting major.

RESULT AND DISCUSSION

The research method used in this study is a qualitative method. Qualitative research is a research method that uses a series of in-depth approachesto informants or data that prioritizes process and meaning based on a subjective point of view or assessment. In this study, the qualitative method used was qualitative phenomenology, namely research that looked at and heard closer and more detailed explanations and individual understanding of their experiences. it is clear and real.

Based on the results of interviews conducted with students of the Islamic accounting study program, it was found that their goal in studying at university was to have better provisions and easier to get a job. The specific reason for choosing the Islamic accounting study program is because it sees the opportunities for sharia accounting graduates to be wider and can be accepted by many companies. This is also the reason parents finally approve their daughters to be able to choose Islamic accounting as the major they want to take.

In accordance with Bourdieu (in Brooks, 2002) who explained that parents encourage their daughters to choose accounting study programs because it meansthat this study program has academic provisions that can be used as a reference or capital so that girls can be more independent socially and financially so that they are expected to no longer depend on men, with academic capital it is hopedthat children will no longer be considered inferior and can improve their status inthe eyes of society. Because of this, the assumption of female students and parents who send their children to the Islamic accounting study program to improve social status theoretically becomes true. Research conducted by Malihah et al., (2020) explains that with money and a strong society influenced by market ideology, opportunities for women to be able to improve social status become greater open, at least the position of women becomes more recognized.

JOBS IN ISLAMIC ACCOUNTING MACH WITH WOMEN

Interviews conducted with students of the Islamic accounting study program found that the majority of female students choose the Islamic accounting study program because they think accounting is synonymous with calculating and accuracy which is considered more suitable for women who have a more patient, more thorough and detailed nature. This result is not in line with the accounting point of view which is generally considered a masculine job that is mostly done by men because it demands rationality, logic and analytic (Vidwans & Cohen, 2020). This result actually does not need to be disputed because basically accounting also involves calculating calculations that require accuracy, accuracy and caution (Susanto & Kholis, 2020).

Clerical work requires traits that are considered suitable and inherent in women. Accounting is considered as one of the clerical jobs that cannot be separated from the history of accounting itself, where the beginning of accounting existed because of the need for traders in recording and counting their merchandise. Accounting continues to grow, no longer just as a tool to record transactions but more as a tool to make decisions. The development of accounting turns out to still separate a little thinking in society. People in general still often think of accounting as recording so this is very suitable for women who tend to have a conscientious, careful and patient nature.

This rationale can eventually shift accounting masculinity to be more feminine. Accounting especially Islamic accounting is a very broad field of science, the clerical nature of work in accounting is only a small part of the scope of accounting itself. Accounting function is not only limited to clerical work and is currently far growing beyond its function, one as a means of information and communication in the business world (Raffield & Coglitore, 1998). However, the emergence of reductive meaning is certainly understandable considering the background of the people of Bangka Belitung who do not understand what the benefits and functions of accounting are broadly. The people of Bangka Belitung still think that accounting is suitable for women because it is closely related to bookkeeping and finance which many women are engaged in.

Clerical work is actually not only limited to counting, but also related to communication skills. As researched by Vidwans & Cohen (2020) who found that women have aspects that are more suitable for the field of accounting work because they can look attractive, attractive and highlight their feminine nature and are able to do many things at one time, this is rarely owned by men. Women's excellence in communicating verbally is also a plus. With all the advantages possessed by women, this is what makes work in the field of Islamic accounting also suitable for women.

CONCLUSION

The results of the study show that the shift in accounting masculinity is influenced by the view that accounting is a job that requires precision, patience and cautionwhich is considered more appropriate if done by women. Another reason is because parents no longer think that women will end up working at home, so thefreedom to study knowledge erases patriarchal culture and further enhances gender equality.

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THE HEALTH OF THE BANK VIEWED FROM CREDIT RISK, LIQUIDITY RISK, CAPITAL ADEQUACY, AND THE BANK'S FINANCIAL PERFORMANCE (Case Study of Commercial Banks listed on the IDX for the 2019-2022period)

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ABSTRACT

The purpose of this study is to determine the level of bank health risk that can be used as a means of assessing the conditions and problems faced by banks so that they can provide signals to stakeholders or third parties in making decisions for investing their funds. This research is a type of quantitative research using purposive sampling data collection techniques through secondary data on banking financial reports published on the official website of the Indonesia Stock Exchange. The total population of the banking sector is 47 companies with a selected sample of 64 data from 16 banks. The statistical analysis used is descriptive statistical analysis, classical assumption test, multiple linear regression test. The results of this study indicate that credit risk has a negative effect on bank health, capital adequacy variables and financial performance variables have a positive effect on bank health. Meanwhile, the liquidity risk variable has no positive effect on bank health. The contribution of this research is to help stakeholders minimize risks in future decision making.
Keyword : *Credit risk, liquidity risk, capital adequacy, financial performance, bank health*

INTRODUCTION

The banking industry is an industry that in its business activities relies on stakeholder trust so that its soundness level needs to be maintained. The soundness level of the bank is an assessment of the results of the condition of the bank which is carried out on bank risk and performance (Putri & Fernos, 2019).

The COVID-19 pandemic is a major challenge for the economy that is more complex than the previous global financial crisis, and will be the worst recession in history, causing a downturn in various sectors, especially in the banking sector. The Bank is worried about the emergence of new problems in the banking sector, both in the global economy and in banking reputation, which could diminish public confidence and raise concerns about the impact of the monetary crisis. It is marked by many people losing their jobs and business setbacks. As a result, many people are worried about the difficulty of funds to maintain micro and macro business continuity to prevent liquidation. This problem forced people and companies to withdraw funds on a large scale, which resulted in a large demand for credit in the banking sector. As a result, banks experience problem loans, which have an impact on credit risk.

According to Lis (2020), five main risks shape the soundness of banking: credit risk, market risk, liquidity risk, operational risk and capital risk. Therefore, this study analyzes risks related to credit, liquidity risk, capital adequacy, and banking financial performance. Previous studies have shown that bank health is affected by liquidity (Puji & Moh, 2021). As stated by Suska (2018), the credit risk borne by banks increases along with higher NPL levels, which in turn can lead to uncollectible loans and lower the soundness of banks. Bank funding comes from credit, which maintains the banking economy (Puji Lestari & Afrizal Miradji, 2021). Therefore, credit risk analysis is very important for banks when extending credit to the public. The contribution of this research, by conducting research on financial risk and the financial performance of banks this research can assist stakeholders in minimizing risks and making decisions in the future.

HYPOTHESIS

H_1 Credit risk has a negative effect on bank health

H_2 Liquidity risk has a positive effect on bank health

H_3 Capital adequacy has a positive effect on bank health

H_4 Financial performance has a positive effect on bank health

RESEARCH METHODS

This research is a quantitative study using data analysis techniques using multiple regression. The population in this study were 47 banks registered on the IDX for 2019-2022 with a sample of 16 banks using a sampling technique, namely purposive sampling.

Classic assumption test

Normality test

The statistical test used to test the normality of the residuals is the *Kolmogorov-Smirnov* (KS) statistical test. It is said to be normally distributed if the Asymp. Sig (2-tailed) with a significance level (α) of 5%or 0.05.

Table 4. 4 Normality Test Results

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residuals
N		62
Normal Parameters [a,b]	Means	.0000000
	std. Deviation	.10285406
Most Extreme Differences	absolute	.103
	Positive	.078
	Negative	-.103
Test Statistics		.103
asymp. Sig. (2-tailed)		.170 [c]

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

Based on the results of the normality test for the two models above,as shown in the table, it can be seen that the Asymp. Sig > α (0.05). Asympvalue. Sig in Table 4.4 is 0.170 > 0.05. This means that both models have normally distributed data.

Multicollinearity Test

Data free from multicollinearity is if the VIF value is < 10 and the tolerance value is > 10% or 0.1.

Table 4. 5 Multicollinearity Results

Coefficients [a]

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.	Collinearity Statistics Toleran ce	VIF
1	(Constant)	1.252	.026		48.830	.000		
	RisikoKredit	.025	.073	.041	.336	.738	.995	1.005
	Risiko Likuiditas	-.001	.002	-.059	-.481	.632	.994	1006
	Capital Adequacy	-.073	.033	-.273	-2,230	.030	.998	1,002
	Financial performance	-.272	.162	-.206	-1,682	.098	.994	1006

a. Dependent Variable: Bank Health

Based on the results of the multicollinearity test in table 4.5, it shows that the VIF value of all variables is <10 and *the tolerance* is > 0.1 or 10%. that is, there is no correlation that is too high between the independent variables, so it can be said that this research model is free from multicollinearity.

Heteroscedasticity Test

If the sig value < α (0.05) and $t_{count} > t_{table}$, it will indicate heteroscedasticity. otherwise the data is free from heteroscedasticity if the sig value > α (0.05).

Table 4. 6 Heteroscedasticity Test Results

Coefficients [a]

Model	Unstandardized Coefficients B	std. Error	Standardized Coefficients Betas	t	Sig.
1 (Constant)	.423	076		5,532	.000
Credit Risk	-.194	.163	-.218	-1,187	.245
Liquidity Risk	002	003	.100	.545	.590
Capital Adequacy	-.027	.115	-.044	-.238	.813
Financial performance	-.482	.453	-.195	-1,065	.296

a. Dependent Variable: abs_RES2

The results of the heteroscedasticity test in table 4.6 above can be seen if the significance value of each independent variable is greater than α (0.05). Based on the criteria for testing heteroscedasticity with the Glejser test, it is obtained if the assumption of heteroscedasticity is fulfilled whichis indicated by a sig value > α (0.05) meaning that the data is free from heteroscedasticity.

Autocorrelation Test Results

Table 4. 10 Autocorrelation Test Results

Model R R Square Summary Model [b]A djusted R Square std. Error of the Estimate Durbin Watson

1	.293 [a]	086	.023	.13940	1992

Predictors: (Constant), x4, x3, x2, x1
Dependent Variable: Y

Based on the results of the autocorrelation test, it shows that the Durbin Watson number is below 2, which is 1.992, which means that there is no autocorrelation.

Multiple Linearity Regression Test

Model Fit Test (F Test)

Table 4. 7: Model Fit Test Results (Test F)

ANOVA [a]

Model		Sum of Squares	df	MeanSquare	F	Sig.
1	Regression	.358	4	.090	7,909	.000 [b]
	residual	.645	57	011		
	Total	1,003	61			

Dependent Variable: ln_y
Predictors: (Constant), x4, x3, x2, x1

Based on table 4.7 above, it can be seen that the significance valueis 0.000 which means <0.05, so it can be concluded that simultaneouslythe independent variables in this study have a significant effect on the dependent variable.

Coefficient of Determination (R^2)

Table 4. 8: Determination Coefficient Test Results (R^2)

Summary models

Model	R	R Square	Adjusted RSquare	std. Error of the Estimate
1	.597 [a]	.357	.312	.10640

a. Predictors: (Constant), x4, x3, x2, x1

Based on table 4.8 above it is known that the R value is 0.597 thenthe *R square value* is 0.357 and the *Adjusted R value* is 0.312. Based onthese values it is stated that the influence of the independent variables inthis study is able to explain the dependent variable of 3.12% and the restis influenced by variables outside this study.

Partial Significance Test (T Test)

Table 4. 9: Results of Partial Significance Test (T Test)

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	std. Error	Betas	t	Sig.
1	(Constant)	-.002	.073		-.030	.976
	Credit risk x1	.021	008	.271	2,518	.015
	Liquidity Risk x2	011	008	.160	1,385	.172
	Capital Adequacy x3	-.045	.020	-.259	-2,299	.025
	Financial performancex4	-.051	014	-.410	-3,705	.000

a. Dependent Variables: y
data source: spss data processing

Based on the results of the sig t test as shown in Table 4.9 above, it is known that the independent variables that influence the dependent variable are credit risk(NPL), capital adequacy (CAR), and financial performance (ROA). Meanwhile, the liquidity risk variable (LDR) has no effect on the dependent variable.

The results for the first hypothesis are that the significance value of the creditrisk variable is 0.015 <0.05 with a t- $_{\text{count value}}$ of 2.518 > t $_{\text{-table}}$ 1.669. It can be concluded that the first hypothesis which states that the credit risk variable has anegative effect on bank health has been supported. The second hypothesis of the liquidity risk variable yields a significance value of 0.172 > 0.05 with a t- $_{\text{count value}}$ of 1.385 <t $_{\text{-table}}$ 1.669. It can be concluded that the second hypothesis which states that the liquidity risk variable has a positive effect on bank health is not supported. The significance value of the third hypothesis is the capital adequacy variable of 0.025 <0.05 with a calculated t value of -2,299 > t table of 1.669. It can be concluded that the third hypothesis which states that the credit risk variable has a positive effect on bank health has been supported . It can be concluded that the fourth hypothesis which states that financial performance variables have a positive effect on bank health has been supported.

CONCLUSION

Many interested parties save and borrow money in the banking industry, including investors, borrowers and creditors. To reduce future risks, increase public trust, and improve financial performance so as to maintain the stability of bank health, an accurate bank financial risk analysis is required. Therefore, it is important to evaluate the soundness of banks.

Through this research, there are several factors that can affect the soundness of a bank including credit risk, liquidity risk, capital adequacy and financial performance. The results obtained through this study in the form of credit risk variables, capital adequacy and financial performance affect the soundness of the bank. Meanwhile, the liquidity risk variable has no effect on the soundness of the bank.

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THE EFFECT OF FIRM SIZE AND CAPITAL STRUCTURE ON EARNINGS RESPONSE COEFFICIENTS (ERC) OF THE COMPANY PROPERTY AND REAL ESTATE LISTED ON THE INDONESIA STOCK EXHANGE FOR THE PERIOD OF 2019-2021

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ABSTRACT

This study aims to determine whether company size and capital structure affect the earnings response coefficient (erc) in property and real estate companies listed on the Indonesian stockexchange period of 2019-2021. Data collection uses secondary data obtained from financial reports at www.idx.co.id *and share price and IHSG data obtained at* www.yahoofinance.co.id*The population in this study were all property and real estate companies listed on the Indonesian stock exchange with a total of 86 companies, while the sample that met the criteriawas 19 companies multiplied by 3 years of research, which means there were 57. The analyticalmethod uses multiple regression techniques.The research results show that partially firm size has an effect on earnings response coefficient (erc), while capital structure has no effect on earnings response coefficient (erc).*
Keywords: *Firm Size, Capital Structure, Eanings Response Coefficient.*

INTRODUCTION

The financial report is one of the elements that investors look forward to the information inmaking decisions, namely the income statement, where this report is part of the financial reportin which it presents the profits (earnings) obtained in a certain period.

Investors' decisions to sell and buy or hold investments issued by companies are believed tobe influenced by profits, this is because profits are the main information for investors. Economic decisions made by investors based on information that can be obtained from financial reports can generally be reflected in the actions of market participants which are calledmarket reactions (Ratnasari 2022).

Announcement of profits in the capital market causes the market to react, which can be seenfrom the movement of stocks and investors in investing. Profits have limitations caused by various causes, one of which is the assumption in measurement and the possibility of processing carried out by earnings management so that the available profit information is not available. again describes the actual state of the company Mukhtar A. Adam et.al (2019).So that information is needed in responding to earnings to determine the actual quality of earnings by using the earnings response coefficient or earnings response coefficient.. earnings responsecoefficient is the market response to reported earnings information (Cahyani and Amanah 2022)

Table1: phenemone in this study

No.	Nama	Semester I 2021 / Rp Miliar	Harga Saham 2021Rp.	Semester I 2022/ Rp Miliar	Harga Saham 2021Rp.
1	CTRA	483.47	970.00	1.005	1,000.00
2	PWON	464,6	464.00	753,5	476.00
3	BSDE	680	1,010.00	463,6	930.00
4	SMRA	108,54	835.00	254,84	650.00
5	ASRI	-244,9	162.00	216,84	171.00

Based on the above table taken from the website and appointed as a phenemone in this study,it shows that in several property and real estate sector companies there is still no inconsistencybetween the company's stock price and the profit and loss information that has been announced.This means that in fact the profits that have increased are not always accompanied by an increase in stock prices, and vice versa, company profits that have been declared to have decreased are not always accompanied by a decrease in stock prices.

Firm Size is an indicator that can show the condition of a company. The bigger a company,the more public information that can be available about the company, there are several parameters that can be used to measure the size of the company (big or small). So that investors will increasingly respond to profits issued by the company if the company's assets are large because it can be considered capable of improving company performance by increasing the quality of its earnings so that the earnings response coefficient is higher In research conducted by Wahasusmiah and Indriany (2022) stated that firm size has a positive effect on the earnings response coefficient, whereas in Maulana & Rosliyani's research (2021) stated that firm size has a negative and significant effect on earnings response coefficient

According to Dewi & Rahayu (2018) the capital structure is a picture of the financial proportional form of a company between owned capital which comes from long-term debt andown capital which is the financing of a company. In this study, the capital structure is seen from the leverage ratio or proxied by the Debt to equity ratio (DER). The DER ratio comparesa company's total liabilities to equity. The results of research conducted by Robi Maulana M and Resa Rosliyani (2021) say that capital structure has no effect on the earnings response coefficient, while the results of research conducted by Ramadanti & Rahayu (2019) state that capital structure has a positive and significant effect on the earnings response coefficient.

Signal theory explains that signals arising from information, both from external companies and internal companies, will directly affect the price movements of related companies, Suganda(2018: 22). The use of signal theory in this study can be described as profit information that announced at the time of publication can cause the company's share price to fluctuate. This willbe a positive or negative signal for investors who react to this information.

CONTENT

To see this influence can be seen through the value of the regression equation used in the following table:

Table 2: Testing the first hypothesis

Variable	Coefficient	t count	Sig.	Information
Firm Size	.725	4.178	.000	Hypothesis 1 is accepted
Capital structure	-.041	-0.85	.932	Hypothesis 2 is rejected
Constant	-20.16	-4.143		
R Square	.275			
Adj. R Square	.249			

The results of multiple linear regression calculations obtained the following equation:
Y = -20,16 + 0,725 - 0,41 + 4,866 + e

Based on the results of testing the first hypothesis, it shows that the firm size variable has a positive and significant effect on the earnings response coefficient, this means that the first hypothesis is accepted. Investors assume that the larger the firm size of a company is consideredcapable of continuing to improve its company's performance and can improve the quality of itsearnings, the higher the quality of earnings, the higher the earnings response coefficient.

This research is in line with research conducted by Oktaviani Darmawan (2022), Cahyani and amanah (2020) who found that firm size has a positive and significant effect on the earnings response coefficient. However, the results of this study are not in line with the results of research conducted by Noer Sasongko et al (2022) that firm size has a negative effect.

Based on the results of testing the second hypothesis, it shows that the capital structure variable has no effect on the earnings response coefficient. This means that the second hypothesis is rejected. an investor does not only look at the total debt and total capital of the company in making a decision to invest their capital so that market reactions have no effect.

This research is in line with research conducted by Fitriah (2020) which found that firm sizehas no effect on the earnings response coefficient. However, the results of this study are not inline with the results of research conducted, Anita Dea Ramadanti Yuliastuti Rahayu (2019) which states that capital structure has a negative effect on the earnings response coefficient.

Based on the table above, it can be seen that the R Square value is 0.275. This means that 27.5% % of the variable earnings response coefficient which can show the influence of the independent variables, namely company size and capital structure on the dependent variable, namely the earnings response coefficient. This means that the earnings response coefficient (Y)can be influenced by company size (X1), capital structure (X2), while the remaining 72.5% (100% - 27.5%) are influenced by other factors not explained in the this research model, such as profitability, voluntary disclosure and corporate social responsibility.

CONCLUSION

Based on the test results in this study, it is known that firm size has a positive and significanteffect on the Earnings Response Coefficient in property and real estate companies listed on theIndonesia Stock Exchange 2019-2021. The capital structure proxied by the debt to equity ratiohas no effect on the Earnings Response Coefficient in Property and real estate companies listedon the Indonesia Stock Exchange 2019-2021.

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THE EFFECT OF LIQUIDITY, COMPANY SIZE AND PROFITABILITY ON COMPANY VALUE WITH AUDIT QUALITY AS A MODERATION VARIABLE INBANKING COMPANIES LISTED ON THE IDX IN 2019-2021

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ABSTRAK

*This study aims to determine the effect of liquidity, company size and profitability on audit quality with audit quality as a moderating variable in banking companies listed on the IndonesiaStock Exchange in 2019-2021. In the sample style using purposive sampling method with a total sample of 69. The data used is secondary data and the research method used is Multiple Linear Regression Analysis. The results of this study indicate that liquidity, firm size and profitability has a significant effecton firm value. Audit Quality cannot moderate the influence of Liquidity on Firm Value. Audit Quality can moderate the effect of Firm Size on Firm Value. Audit Quality can moderate the*effect of Profitability on Firm Value.
Keywords: *Company Value, Liquidity, Company Size, Profitability, Audit Quality*

INTRODUCTION

The development of the banking sector is also growing rapidly and is increasingly favored by investors who want to invest. Not a small number of banks exist in Indonesia apart from government banks and private banks, currently there are also quite a number offoreign banks. Due to the increasing number of banking industry, the competition is also getting tougher. Therefore, the banking sector is an important requirement in Indonesia, banking companies must be able to maintain financial health or liquidity which can affect financial performance.

Liquidity is the level of the company's ability to pay its obligations. The level of liquidity of a bank has a significant influence on the size of the bank's profit. According to(Kasmir, 2012), states that the LDR (Loan Deposite Ratio) is the ratio used to measure theamount of credit given compared to the amount of public funds and own capital used. Company size can affect company value because the larger the size or scale of the company,the easier it is for the company to obtain funding sources, both internal and external, for thecompany to use in achieving its goals. Company size is a reflection of the total assets ownedby a company. (Hery, 2015) The profitability ratio is a ratio that describes a company's ability to generate profits through all its capabilities and resources, namely those derived from the use of assets, as well as the use of capital. The better the profitability ratio, the higher the ability to earn profits.

(Ardianingsih, 2021) Audit quality as a moderating variable in this study, because the audit quality produced by the auditor is an internal aspect that is owned by the auditor in conducting the audit. Measuring the quality objectively produced by the auditor is not easy, this can be seen from previous studies that use various measurements in measuring an audit quality. With this, audit quality is measured by a dummy (if 0 then it includes non-big-4 KAPs and if 1 then it includes big-4 KAPs).

Audit quality as a moderating variable in this study, because the audit quality produced by the auditor is an internal aspect that is owned by the auditor in conducting theaudit. Measuring the quality objectively produced by the auditor is not easy, this can be seen from previous studies that use various measurements in measuring an audit quality. Audit quality is the probability that an auditor finds and reports a violation in his audit accounting system (DeAngelo, 1981). DeAngelo was the originator of the first KAP in measuring audit quality and concluded that a larger KAP could be interpreted as producingbetter audit quality than a small accounting firm.

The case that happened to Bank Mandiri, which experienced a nominal error on a customer's account. This error made many customers worried and had bad preconceptionsabout Bank Mandiri. Anxiety and concern from customers were not matched by a Press Release which explained the error occurred which resulted in a 1.75% decline in Mandiri'sshare price to a level of 7,775. After a few hours later, Bank Mandiri secretary Rohan Hafassaid that the incident was just a system disturbance and not caused by fraud (Aldin, 2019). Based on the phenomenon, the case examples trigger stock price movements, because these cases occur because of the consequences and actions taken by the company, such as systemweaknesses that cause many incidents the system encountered an error. Therefore, this canbe handled by the company itself by making the company's performance stable, creating agood monitoring system, and providing the best service for customers that guarantees the trust of customers.

Based on the background and explanation of the previous theory, there are differentresearch results regarding the effect of liquidity, company size, and profitability on firm value. And whether audit quality can moderate the effect of liquidity, firm size, and profitability on firm value. Based on the description that has been stated, this research takesthe title "The Influence of Liquidity, Company Size and Profitability on Firm Value with Audit Quality as a Moderating Variable."

CONTENT

Problem Formulation

1. Does Liquidity affect the Value of Banking Companies listed on the Indonesia StockExchange in 2019-2021?
2. Does company size affect the value of banking companies listed on the Indonesia StockExchange in 2019-2021?
3. Does Profitability affect the Value of Banking Companies listed on the Indonesia StockExchange in 2019-2021?
4. Can Audit Quality moderate the effect of Liquidity on the Value of BankingCompanies listed on the Indonesia Stock Exchange in 2019-2021?
5. Can Audit Quality moderate the influence of Company Size on the Value of BankingCompanies listed on the Indonesia Stock Exchange in 2019-2021?
6. Can Audit Quality moderate the influence of Profitability on the Value of BankingCompanies listed on the Indonesia Stock Exchange in 2019-2021?

RESEARCH MODEL

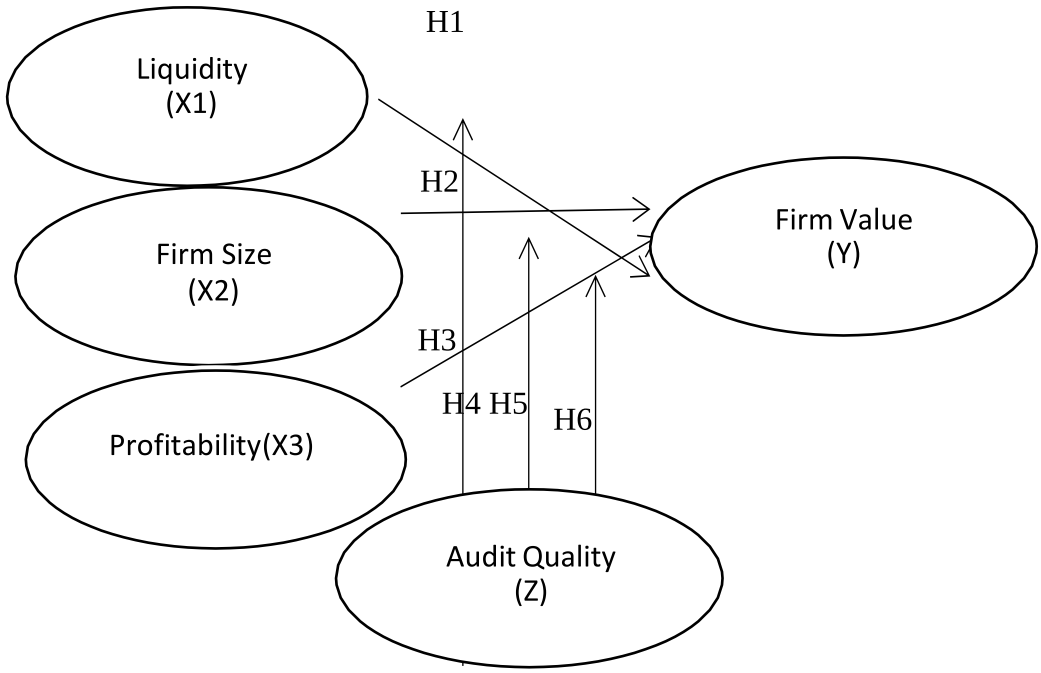


Figure 1 Research Model

RESEARCH METHODS

Object Of Research

The objects in this study are liquidity, company size and profitability on firm valuewith audit quality as a moderating variable in banking companies listed on the Indonesia Stock Exchange (IDX) in 2019-2021.

Population And Sample

The population in this study are 50 banking sector companies listed on the Indonesia Stock Exchange in 2019-2021. According to the sample is part of the number and characteristics possessed by the population. In this study, the number of samples usedin 2019-2021 is 69 samples.

Result And Discussion Descriptive Statistics Test

Table 1.Descriptive Statistical Test Result

	N	Minimum	Maximum	Mean	Std. Deviation
LIQUIDITY	69	12.32	167.23	83.3004	26.04950
SIZE	69	29.20	35.08	32.1065	1.72166
PROFITABILITY	69	.00	.03	.0106	.00953
PBV	69	.38	5.72	1.5243	1.13152
AUDIT QUALITY	69	.00	1.00	.5652	.49936
Valid N (listwise)	69				

Source: SPSS Output Processed in (2023)

Classic Asumption Test
Normality Test

Table 2.Normality Test Result

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		69
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	.00765821
Most Extreme Differences	Absolute	.105
	Positive	.105
	Negative	-.052
Test Statistic		.105
Asymp. Sig. (2-tailed)		.058[c]

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.

Source: SPSS Output Processed in (2023)

Based on the results of the Kolmogorov-Smirnov test, it can be seen from the Asymp numbers. The sig which is above the significance value is 0.058 > 0.050. This showsthat in this study the data were normally distributed in the normality test.

Multicollinieritas Test
Model

Table 1 Multicollinieritas Test Result

Collinearity Statistics		Tolerance	VIF
1	LIQUIDITY	.750	1.334
	SIZE	.473	2.116
	PROFITABILITY	.740	1.351
	AUDIT QUALITY	.476	2.101

Source: SPSS Output Processed in (2023)

Based on the table above, the results of the multicollinearity test get a tolerance value > 0.10 and VIF < 10. It can be concluded that the independent variables in this studyhave no correlation so that it can be said that there are no symptoms of multicollinearity.

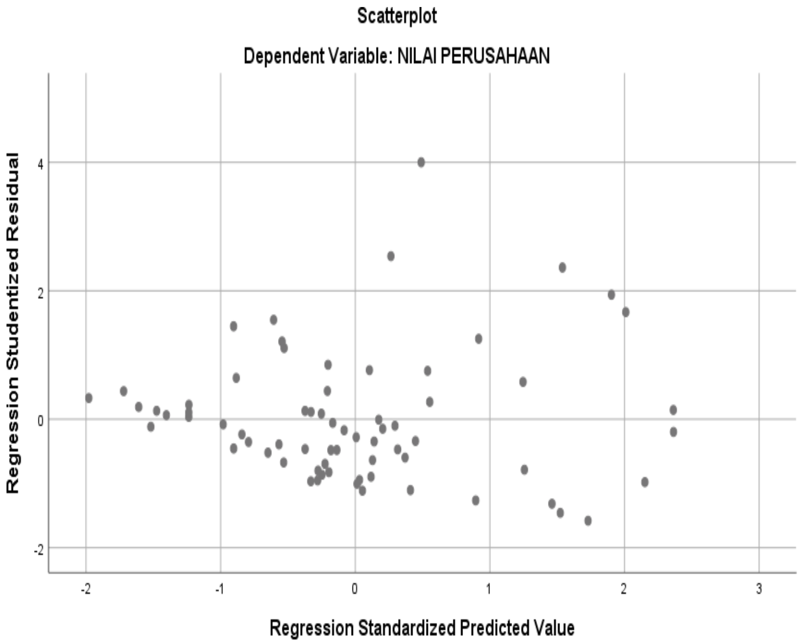
Autocorrelation Test
Table 4: Autocorrelation-Durbin Watson Test Results

Model	R	R Square	Adjusted RSquare	Std. Error of theEstimate	Durbin-Watson
1	.590[a]	.348	.307	.95917	2.010

Source: SPSS Output Processed in (2023)

Uji statistik DW = 2,010 , DL = 1,4899 , DU = 1,7343 , (4-dL) = 2,5101 , (4-dU) = 2,2657 The results of the calculation above show that the DW value of 2.010 lies betweendU and (4-dU) of 1.7343 and 2.2657 (dU < DW < 4-dU) so it can be concluded that there is no autocorrelation in the regression model used in this study.

Heterocedasticity Test



Source: SPSS Output Processed in (2023)

Figure 2: Heterocedasticity Test Results With Scatterplot Graphs

HYPOTHESIS TESTING
MULTIPLE LINEAR REGRESSION ANALYSIS

Table 5:Results of Multiple Linear Regression Analysis

Variabel	Koefisien Regresi	T	Sig.	F	Signifikansi
Konstanta	0,071	6,194	0,000	7,869	0,000
LDR(X1)	0,003	5,668	0,000		
SIZE(X2)	0,001	2,061	0,043		
ROA(X3)	0,002	6,116	0,000		

Source: SPSS Output Processed in (2023)

Coeffricient of Determinasi Test (R^2)

Table 6: Test Results for the Coefficient of Determination (R2)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.595[a]	.354	.325	.00783	2.065

Source: SPSS Output Processed in (2023)

Table 6 without moderation above shows the coefficient of determination (R2)between the variables Liquidity (X1), Firm Size (X2), Profitability (X3) and Firm Value (Y) proxied by PBV is 0.354 (35.4%)), meaning that the magnitude of the contribution of the variables Liquidity (X1), Company Size (X2) and Profitability (X3) to Firm Value (Y) proxied by PBV is 0.354 (35.4%) and the remaining 64.6% (100%) - 35.4% = 64.6%)comes from variables or other factors outside the first equation.

Simultaneous Significance Test (Uji Statistik F)

Table 7: Simultaneous Significance Test Results (Statistical Test F)

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	23.197	3	7.732	7.869	.000[b]
Residual	63.867	65	.983		
Total	87.063	68			

Source: SPSS Output Processed in (2023)

The value of F-table is calculated by the formula df1 = k-1, df2 = n-k, where k isthe number of dependent and independent variables. Based on table 5.7 without moderation above, it shows that the F-count value is 7.869 > F-table of 2.746 (df1 = 4-1,df2 = 69-4 = 65 = 2.746) with a significant value of 0.000 <α = 0.05, then H0 is rejected and H1 is accepted. This proves that the variables Liquidity (X1), Firm Size (X2) and Profitability (X3) together have a significant effect on Firm Value (Y) which is proxied by PBV. So it can be concluded that the model used to test the effect of Liquidity, Firm Size and Profitability on Firm Value proxied by PBV is a fit model.

Individual Parameter Significance Test (Uji Statistik T)

Table 8: Individual Parameter Significance Test Results

Model		B	Std. Error	Beta	T	Sig.
		UnstandardizedCoefficients		Standardized Coefficients		
1	(Constant)	-.071	.012		-6.194	.000
	LIQUIDITY	.003	.001	.492	5.668	.000
	SIZE	5.274E-5	.000	.182	2.061	.043
	PROFITABILITY	.002	.000	.516	6.116	.000

Source: SPSS Output Processed in (2023)

Based on the t test (Coefficients table) in table 5.9 without moderation above, the Liquidity variable shows a t-count value of 5.668 > t-table value of 1.997 (n-k = 69-3 = 66) with a significant value of 0.000 <0.05. So it can be concluded that the first hypothesis(H1) is accepted. So it can be said that Liquidity has a significant and significant effect on Firm Value.

H1: Liquidity has an effect on Firm Value

The variable company size in table 5.9 shows the t-count value of 2.061 > t-table value of 1.997 (n-k = 69-3 = 66) with a significant value of 0.043 <0.05. So it can be concludedthat the second hypothesis (H2) is accepted. So it can be said that the size of the companyhas a significant effect on firm value.

H2: Company Size has an effect on Firm Value

The Profitability variable in Table 5.9 shows that the t-count value is 6.116 > the t-tablevalue is 1.997 (n-k = 69-3 = 66) with a significant value of 0.000 <0.05. So it can be concluded that the third hypothesis (H3) is accepted. So it can be said that Profitability has a significant and significant effect on Firm Value.

H3: Profitability has an effect on Firm Value.

Moderatif Regresi Analisis (MRA) Test

Table 9:Moderatif Regresi Analisis (MRA) Test Result

UnstandardizedCoefficients				Standardized Coefficients	T	Sig.
Model		B	Std. Error	Beta		
1	(Constant)	.145	.033		-4.355	.000
	LIQUIDITY	.001	.001	.158	1.655	.103
	SIZE	5.226E-5	.000	.143	.857	.395
	PROFITABILITY	.005	.001	.868	4.500	.000
	AUDIT QUALITY	.142	.042	7.427	3.378	.001
	X_1Z_1	2.764E-5	.000	-.147	.371	.712
	X_2Z_1	.005	.001	-8.284	-3.645	.001
	X_3Z_1	.896	.151	.817	5.915	.000

Source: SPSS Output Processed in (2023)

Based on the Moderate Regression Analysis (MRA) test table above shows that:

H4: The liquidity value of the moderating variable Audit Quality (X1Z1) to Firm Value (Y) is0.712 significantly. The Liquidity variable has a value of > 0.05, which means that the Audit Quality moderating variable cannot moderate (strengthen/weaken) the influence of Liquidity on Firm Value.

H5: The value of Firm Size in the moderating variable Audit Quality (X2Z1) to Firm Value

with a significance of 0.001. The Liquidity variable has a value of <0.05, which means that the moderating variable of Audit Quality can moderate (strengthen/weaken) the effect of FirmSize on Firm Value.

H6: Profitability value in the moderating variable Audit Quality (X3Z1) to Firm Value (Y) with a significance of 0.000. The Liquidity Variable has a value of <0.05, which means that the Moderation Variable of Audit Quality can moderate (strengthen/weaken) the influence of Profitability on Firm Value.

DISCUSSION

The Effect of Liquidity on Firm Value

Based on the results of the t-test analysis in table 5.9, the Liquidity variable shows that tcount is 5.668 > t-table value 1.997 (n-k = 69-3 = 66) and a significant value is 0.000<0.05. So it can be concluded that the first hypothesis (H1) is accepted. This means that liquidity has a significant and significant effect on company value in banking companies listed on the Indonesia Stock Exchange in 2019-2021.

The results of this study support the research of Gusti Ayu Mahanavami and Ni KadekMeina Kayobi (2021), which states that liquidity has an effect and is significant on firm value.A liquid company can be known from having available funds to finance the company's operations, making investments and paying dividends so that a perception is formed from aninvestor's point of view that the company's performance is getting better.

Effect of Company Size on Firm Value

Based on the results of the t-test analysis in table 5.9, the company size variable showsthat tcount is 2.061 > t-table value 1.997 (n-k = 69-3 = 66) and a significant value is 0.043<0.05. So it can be concluded that the second hypothesis (H2) is accepted. This means that company size has a significant and significant effect on company value in banking companieslisted on the Indonesia Stock Exchange in 2019-2021.

The results of this study support the research of Tutupa Tiasrini and Sri Utiyati (2020)which states that company size has an effect and is significant on firm value. Large companieshave easy access to the capital market, making it easier to obtain additional capital in carryingout company operations. Investors also have the view that the company already has good performance compared to companies that are small in size.

Effect of Profitability on Firm Value

Based on the results of the t-test analysis in table 5.9, the Profitability variable showsthat tcount 6.116 > t-table value 1.997 (n-k = 69-3 = 66) and a significant value is 0.000<0.05. So it can be concluded that the third hypothesis (H3) is accepted. This means that Profitability has a significant and significant effect on Firm Value in banking companies listed on the Indonesia Stock Exchange in 2019-2021.

The results of this study support Richard's research (2020) which states that profitability has a significant and significant effect on company value. Companies that get high enough profitability will also get large profits. Profits are used by the company to meetthe company's operational funds, so that the company can improve its performance.

Audit Quality can moderate between Liquidity and Company Value

Based on the results of the t test analysis and the Moderate Regression Analysis (MRA) test in table 5.11, the Audit Quality variable moderates Liquidity indicating that tcount is 0.371 <t-table value is 1.997 (n-k = 69-3=66) and a significant value is 0.712 > 0.05. So it can be concluded that the fourth hypothesis (H4) is rejected. This means that Audit Quality cannot moderate the effect of Liquidity on Firm Value in banking companies listed on the Indonesia Stock Exchange in 2019-2021.

Liquidity variable on firm value before using the moderating variable shows a significant value of 0.000 and after using audit quality as a moderating variable of 0.712. Thetest results above state that audit quality cannot moderate the effect of liquidity on firm value.This hypothesis states that audit quality is not able to moderate liquidity on firm value, because liquidity in the banking companies studied has a high level of liquidity so that it canmaintain firm value well.

Audit Quality can moderate between Company Size and Company Value

Based on the results of the t test analysis and the Moderate Regression Analysis (MRA) test in table 5.11, the variable Audit Quality moderates Firm Size indicating that tcount is 3.645 <t-table value is 1.997 (n-k = 69-3=66) and a significant value is 0.001 <0.05. So it can be concluded that the fifth hypothesis (H5) is accepted. This means that Audit Quality can moderate the effect of Company Size on Firm Value in banking companies listedon the Indonesia Stock Exchange in 2019-2021. Company Size variable to Firm Value beforeusing the moderating variable shows a significant value of 0.043 and after using Audit Qualityas a moderating variable of 0.001. So it can be said that Audit Quality strengthens the effect of Firm Size on Firm Value. The test results above state that audit quality can moderate the effect of company size on firm value.

Audit Quality can moderate between Profitability and Corporate Value

Based on the results of the t test analysis and the Moderate Regression Analysis (MRA) test in table 5.11, the Audit Quality variable moderates Profitability indicating that tcount is 5.915 <t-table value is 1.997 (n-k = 69-3=66) and a significant value is 0.000 <0.05. So it can be concluded that the sixth hypothesis (H6) is accepted. This means that Audit Quality can moderate the influence of Profitability on Corporate Value in banking companieslisted on the Indonesia Stock Exchange in 2019-2021. Profitability Variable on Firm Value before using the moderating variable shows a significant value of 0.000 and after using AuditQuality as a moderating variable of 0.000. So it can be said that Audit Quality weakens the influence of Profitability on Firm Value. The test results above state that audit quality cannotmoderate the effect of profitability on firm value.

CLOSING

Conclusion

Based on the results of the analysis and discussion regarding the Effect of Liquidity, Company Size and Profitability on Firm Value with Moderation Variable Audit Quality, it can be concluded as follows:

Liquidity has a significant effect on company value in banking companies listed on theIndonesia Stock Exchange in 2019-2021.

Company size has a significant effect on company value in banking companies listed on the Indonesia Stock Exchange in 2019-2021.

Profitability has a significant effect on audit quality in banking companies listed on theIndonesia Stock Exchange in 2019-2021.

Audit Quality weakens/does not moderate the effect of Liquidity on Company Value inbanking companies listed on the Indonesia Stock Exchange in 2019-2021.

Audit Quality strengthens/can moderate the effect of Company Size on Firm Value in banking companies listed on the Indonesian Eek Exchange in 2019-2021.

Audit Quality strengthens/can moderate the influence of Profitability on Company Value in banking companies listed on the Indonesia Stock Exchange in 2019-2021.

Suggestion

For management for issues related to company performance by paying attention to auditquality. Because audit quality is seen as the ability to enhance the quality of corporate financial reporting. With high audit quality, it is expected to increase investor confidence.

For Further Researchers

for researchers who will conduct research with the same title or close to the title raised,it is better to research other company sectors.

It is expected to add research years of more than 3 years, namely 4 or 6 years or even more, so that it will increase the variety of research

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FUEL OIL PRICE, SALES GROWTH, FINANCIAL PERFORMANCE ON STOCK PRICE IN INDONESIANTRANSPORTATION AND LOGISTIC COMPANIES

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ABSTRACT

This study aims to test and obtain empirical evidence regarding the effect of fuel prices, sales growth, and financial performance on stock prices, by adding the BI Rate variable as a control variable. Transportation and Logistics sector company objects listed on the IDX in 2019-2021. This type of research uses associative quantitative, the sampling technique uses purposive sampling. The population used in this study were 30 companies with a sample of 17 companies selected with a total sample of 51 data. The analysis technique used in this study is multiple linear regression with a significance level of 5%. Statistical testing uses Econometric Views 12. The results of this study fuel oil price, sales growth, financial performance, and the BI Rate of 76% while the remaining 24% is determined by other variables not analyzed in this study. Fuel prices, sales growth, and financial performance have no effect on stock prices, meanwhile BI Rate affects the stock price.
Keywords: *Fuel Oil Prices, Sales Growth, Financial Performance, Stock Prices, BI Rate*

INTRODUCTION

The share of capital for a company or limited liability company. The stock price is very important for measuring company performance and as a basis for determining future returns and risks (Siamat, 2004) in (Suyanto & Nursanti, 2017). Stock prices can reflect the value of a company. Companies with good performance, their shares will be in great demand by investors. Good performance can be seen in the financial reports published by the company (issuer). Issuers are obliged to publish financial reports within a certain period. This financial report is very useful for investors to assist in making investment decisions, such as selling, buying, or investing in shares. The company's stock price fluctuates every year. Stock price volatility makes it very difficult for investors to invest, therefore investors are not careless in investing their funds, investors must first consider various information, including the condition of the company which is reflected through the company's performance including conditions of similar industries, fluctuations, exchange rates, transaction volume, exchange conditions, economic conditions, social, political and national stability of a country.

In 2019, transportation and logistics companies were the company sector that was affected by the existence of Covid-19 because these companies were at the forefront of dealing with other countries. The Minister of Transportation (MENHUB) Karya Sumadi in the Berita Satu media also stated that the transportation and logistics sector was hit the hardest by Covid-19 where its turnover has decreased by more than 30% and aviation revenue has decreased by more than 50% and this decline has even caused Indonesia's economic growth to be corrected. minus 5.32%. The Indonesian Truck Entrepreneurs Association (APTRINDO) in Kontan.co.id media also stated that turnover from logistics companies had decreased by up to 90%, whereas before the pandemic it could grow up to 15.2%. In addition to the decrease in turnover and income experienced by companies in the transportation and logistics sector, of course it can also havean impact on their financial ratios and also the price of their shares traded on theIDX because if the company's turnover and income decrease, of course the company cannot distribute dividends to every investor and also of course investors will tend to withdraw their shares in the company this can lower the share price in the end. The data obtained is the stock price at the time of closing December 2019 and December 2020 where the pandemic occurred between thoseyears. From IDX data and processed by previous researchers, it was found that there was indeed a decrease in share price growth during the Covid-19 pandemic,namely -14%, where PT. WEHA Transportasi Indonesia Tbk (WEHA) by -135% and followed by shares of PT. Maming Six Nine Minerals (AKSI) of -177%.

Information that brings good news will cause the stock price to rise, and conversely if the information is bad (bad news) it will cause the stock price to fall. The event of announcing a change in the price of fuel oil is one of the information absorbed by capital market players and used to analyze market conditions or reactions. According to Azar and Laucine (2013), oil prices affect the macro-economy, definitely affect future company profits, which in turn also affect stock prices in the capital market. Fuel Oil (BBM) is a commodity that plays a very important role in all economic activities. Changes in the price of fuel oil are a determinant of the size of the budget deficit, a determinant of the fluctuations in the prices of other materials such as staples, industrial raw materials, people's purchasing power as well as changes in operational costs which result in changes in the level of profit in investment activities. Fuel prices in Indonesia are set by the government, which subsidizes and regulates retail sales of gasoline, diesel and kerosene through Pertamina. With changes in the price of fuel oil, it can lead to higher operational costs, the profit margins that will be obtained by issuers in the transportation and logistics sector have the potential to be eroded if they do not make adjustments to the service fees charged to customers.

If the profit margin continues to decline, this reflects the company's unfavorable condition because the company's profits have decreased, resulting in lower returns for investors. According to Brigham and Houston (2012) a negative growth rate indicates a company that is declining. This will result in a capital loss and not a capital gain. The stock price of declining companies is relatively low, and their dividend yields must be high enough to cover expected capital losses and still generate competitive total returns (Silitonga et al., 2019).

One of the basic considerations for external parties in measuring the company's performance is the financial statements. Financial reports are seen from how well the company's financial performance is, one way to do this is by analyzing the financial statements. Analysis of a company's financial statements is basically because they want to know the level of profitability (profit) and the level of risk or the level of soundness of a company. Financial analysis which includes analysis of financial ratios, analysis of weaknesses and strengths in the financial sector will be very helpful in assessing past management achievements and future prospects. Financial reports that are properly and accurately prepared can provide a real picture of the results or achievements that have been achieved by a company over a certain period of time, this condition is used to assess financial performance. Moreover, information about the financial performance of a company is very useful for various parties such as investors, creditors, the government, bankers, the management itself and other interested parties.

Financial performance in this study uses a profitability ratio, namely the return on assets (ROA). Return on assets (ROA) is the ratio between net profit after tax and the total assets of the company as a whole. Return on assets (ROA) also describes the extent to which the rate of return on all assets owned by the company, the magnitude of the calculation of return on assets shows how much the company's ability to generate profits available to ordinary shareholders with all of its assets. The greater the return on assets (ROA) indicates the better financial performance, because the rate of return (return) is greater. The higher the return on assets (ROA) shows the better the company uses all of its assets to generate profits (Suyanto & Nursanti, 2017).

Overall, based on the stock price phenomenon that has occurred above, it indicates that the transportation and logistics sector still needs attention. First, we must know what factors can affect stock prices.

RESEARCH METHOD

Types of Research

This research method uses quantitative methods because the data to be processed is ratio data and the focus of this research is to determine the magnitude of the influence between the variables studied. According to the approach above,the researcher conducted a research method by means of quantitative research because the data analysis that the researcher did was quantitative or statistical in nature. The object of this research is a company in the Transportation and Logistics sector. The data used in this study is quantitative data, namely research data which is numerical data and analysis using statistics. While the sources used in this study are secondary data.

Place and Time of Research

This research was conducted at the Indonesia Stock Exchange (IDX) in the Transportation and Logistics sub-sector for the 2019-2021 period, by accessing directly through the IDX's official website at www.idx.co.id.

Variables

Fuel Oil Price

Subsidized fuel prices in Indonesia are the same price set by the government and apply equally in all regions of Indonesia. Basically, the governmenttogether with the DPR determines the price of fuel after taking into account thebasic costs of providing fuel provided by Pertamina/other business entities andthe level of ability (willingness to pay) of the community. There are 5 types of fuel oil that are generally provided by Pertamina, namely Pertalite, Pertamax, Pertamax Turbo, Dexlite, Pertamina Dex. In this study, the price of fuel oil uses the average number of fuel prices in that year, which is obtained from Pertamina's official website, www.pertamina.com.

Sales Growth

Sales growth, namely the increase or decrease in sales from year to year or from time to time is measured as a percentage of sales. The indicator used to measure sales growth is to compare the current year's sales minus the previous year's sales with the previous year's sales multiplied by one hundred percent (Suripto, 2019).

According to Husnan (2007:68) dalam (Fahlevi et al., 2018), financial performance is a tool for assessing the achievements and financial condition ofa company, where a financial analysis requires a certain size. The measure thatis often used is a ratio or index that shows the relationship between two or more financial data. Financial performance in this study is measured using Return On Assets (ROA). The indicator (measurement) used in return on assets (ROA) involves elements of net income and total assets (total assets) where net income is divided by total assets or total assets of the company multiplied by 100%.

Share price is used as a shareholder's assessment of a company and determines the prosperity of shareholders. Share price is the price that is formed on the stock exchange and generally the share price is obtained to calculate the value of the share. The stock price indicator is the Close Price, showing the closing price of the stock (Hayati et al., 2019).

BI Rate

Interest rates are the remuneration provided for a loan based on conventional principles. Interest rates can be interpreted as the price that mustbe paid by the party obtaining the loan. The BI Rate is an interest rate that reflects monetary policy in response to prospects for achieving the inflation target in the future, through managing liquidity in the money market (SBI andPUAB). The operational target of monetary policy is reflected in the development of the Overnight Interbank Money Market (PUAB O/N) interest rate. Movements in PUAB rates are expected to be followed by developmentsin deposit rates, and in turn bank lending rates (Ningsih & Waspada, 2018).

The BI Rate value can be seen through the official website of the Central Bureau of Statistics (BPS) www.bps.go.id. The formula for calculating the BI Rate interest rate is as follows:

RESULT AND SUMMARY

Test Summary	Chi-Sq. Statistic	Chi-Sq.	Prob.
Cross-section random	0.000000	4	1.0000

DISCUSSION

Panel Data Regression Model Selection Test

Chow Test

Table 4.1 Chow Test

Effects Test	Statistic	d.f.	Prob.
Cross-section F	8.430229	(16,31)	0.0000
Cross-section Chi-square	86.906181	16	0.0000

Source : Eviews 12 calculations, data were processed by researcher

Based on the test results above, it shows that the probability (Prob) Cross-sectionChi-square is 0.0000 <0.05 (determined at the beginning as a significant level or alpha), then H1 is accepted. So that the Fixed Effect model is more appropriate to use comparedto the Common Effect Model.

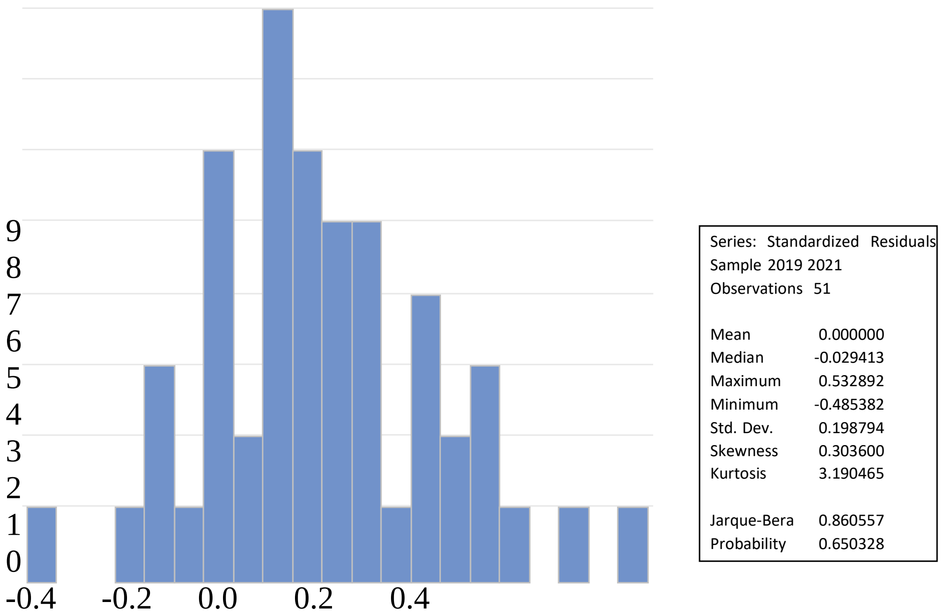
Hausman Test

Based on the table above, the results of the Hausman Test above show that theprobability value of Cross Section > significance value (α = 0.05) (1.0000 > 0.05) therefore, an estimation model based on the results of the Hausman Test that is moreappropriate to use is the Random Effect Model. However, according to Kristianto andSumani (2015), if the probability value is 1.0000 it means that the random effect model is the right model to use but if there is a warning indicating that the variance inthe Hausman test is invalid so that the Hausman test results become invalid. So, the conclusion from the invalid Hausman test makes this study have to re-use the results from the previous test, namely the fixed effect model. This means that it can be concluded that the correct model used in this study is the fixed effect model (Bahariansyah, 2017).

Classic Assumption Test Result

Normality Test

The normality test is carried out to test whether in a regression model, an independent variable and a dependent variable or both have a normal or abnormal distribution. If a variable is not normally distributed, the statistical test results will decrease. In the normality test results above using the selectedmodel, namely the fixed effect, it produces a probability of 0.650328. These results indicate that the probability > level of significant (α = 5%) is 0.650328 > 0.05. So it can be concluded that the data is normally distributed. The following is the output of the normality test:



Source : Eviews 12 calculations, data were processed by researchers

Figure 4. 1 Normality Test Result

Multicollinearity Test

Table 4.3 Multicollinearity Test Result

	BBM X1	PJ X2	ROAX3	*BI RATE* K
X1	1.000000	0.440884	0.106086	0.541493
X2	0.440884	1.000000	0.001270	0.261885
X3	0.106086	0.001270	1.000000	-0.128342
K	0.541493	0.261885	-0.128342	1.000000

Source : Eviews 12 calculations, data were processed by researchers

From the table above, it can be seen that the correlation value of all variables is <0.8, which means that the independent variables are mutually independent (have no relationship) and do not have multicollinearity problems.

Heteroskedasticity Test

Table 4.4 Heteroskedasticity Test Result

Heteroskedasticity Test: White

F-statistic	0.299906	Prob. F(8,42)	0.9819
Obs*R-squared	3.977579	Prob. Chi-Square(8)	0.9706
Scaled explained SS	2.869256	Prob. Chi-Square(9)	0.9923

Source : Eviews 12 calculations, data were processed by researchers

The method used in this study is the White Test. To find out whether there is a heteroscedasticity problem, you can do it by looking at the Obs*R-square and the Prob value. Chi-Square, If Obs*R-square > Prob.Chi Square and Prob.Chi-Square > 0.05 then there is no heteroscedasticity problem in this study. Based on table 4.10 above, the Obs*R-square results are 3.977570 with a Prob value. Chi-Square 0.9923 > 0.05 , then H0 is accepted which means there is no heteroscedasticity problem.

Test the Coefficient of Determination

Table 4.6: Coefficient of Determination (R^2)

R-squared	0.861837
Adjusted R-squared	0.769729

Source : Eviews 12 calculations, data were processed by researchers

The results from the table above are obtained from the selected data estimation model, namely in this study it is a fixed effect model, based onthis table it can be seen that the Adjusted R-Squared value obtained is 0.769729, this means that the magnitude of the influence of stock prices onthe Transportation & Logistics Sector can be explained by the variable fueloil price, sales growth, financial performance, and the BI Rate of 76% while the remaining 24% is determined by other variables not analyzed inthis study.

Hypothesis

F-Test

Table 4.7 :F-Test Result

R-squared	0.861837	Mean dependent var	2.364724
Adjusted R-squared	0.769729	S.D. dependent var	0.534821
S.E. of regression	0.256642	Akaike info criterion	0.410632
Sum squared resid	1.975954	Schwarz criterion	1.206090
Log likehood	10.52888	Hannan-Quinn criter.	0.714600
F-statistic	9.356781	Durbin-Watson stat	2.509641
Prob(F-statistic)	0.000000		

Source : Eviews 12 calculations, data were processed by researchers

Based on table 4.7, the F test shows that the F-statistic value is 9.356781. While the F table with the level α = 5%, df1(k-1) = 5-1=4 and df2(n-k) = 51-5=46, we get an F table of 2.57. Thus the F-statistic (9.356781) >F table (2.57) and the prob value (F-statistic) 0.000000 <0.05, it can be concluded that all the independent variables in this study jointly affect stock prices.

T-Test (Parsial)

Table 4.8 T-Test Result

Source : Eviews 12 calculations, data were processed by researchers

The Effect of Fuel Oil Price on Stock Prices

Based on the table above, the fuel price variable (X1) produces a t count of

Variabel	Coefficient	Std. Error	t-Statistic	Prob.
C	-9.533489	10.31711	-0.924046	0.3628
X1	3.153832	2.607076	1.209720	0.2358
X2	0.188473	0.195712	0.963010	0.3432
X3	-0.058702	0.129288	-0.454038	0.6531
K	-15.43063	5.060686	-3.049119	0.0048

1.209720 with a significant level of 0.2358. The value of t table has a value of 2.012896, when compared to the value of t count it is smaller than the value oft table (1.209720 < 2.012896) with a significance value of 0.2358 > 0.05 meaning that it can be said that the price of fuel oil has no partial effect on stock prices.

The Effect of the Sales Growth on Stock Prices

Based on the table above, the Sales Growth variable (X2) produces a t count of 0.963010 with a significant level of 0.3432. The value of t table has a valueof 2.012896, when compared to the value of t count it is smaller than the valueof t table (0.963010 < 2.012896) with a significance value of 0.3432 > 0.05 meaning that it can be said that Sales Growth has no partial effect on Stock Price.

The Effect Financial Performance on Stock Prices

Based on the table above, the variable Financial Performance (X3) produces tcount -0.454038 with a significant level of 0.6531. The t table value has a valueof 2.012896 when compared to the t count value which is smaller than the t table value (-0.454038 < 2.012896) with a significance value of 0.6531 > 0.05 meaning that it can be said that financial performance has no partial effect on stock prices.

The Effect BI Rate on Stock Prices

Based on the table above, the BI Rate (K) variable produces a t count of 3.049119 with a significant level of 0.0048. The value of t table has a value of 2.012896 when compared to the calculated t value which is greater than the t table value (3.049119 > 2.012896) with a significance value of 0.0048 <0.05 meaning that it can be said that the BI Rate has a partial effect on stock prices.

DISCUSSION

The Effect of Fuel Oil Price on Stock Prices

Based on the table above, the fuel price variable (X1) produces a t count of 1.209720 with a significant level of 0.2358. The t table value has a value of 2.012896, when compared to the t calculated value it is smaller than the t table value (1.209720 < 2.012896) with a significance value of 0.2358 > 0.05 meaning that it can be said that the price of fuel oil has no partial effect on the stock price of companies in the transportation and logistics sector on the IDX for the 2019-2021 period. The increase in fuel prices will have the effect of increasing prices for both goods companies and service companies, so that the demand for goods will decrease. This decrease in demand for goods and services will lead to a decrease in investor income. Indonesia is a country that produces petroleum, but because Indonesia only explores petroleum from the bowels of the earth without managing the oil. So that the increase in world oil does not have much positive impact on the Indonesian economy. The increase in world oil prices had a more negative impact on the Composite Stock Price Index (IHSG), because the government was unable to continue to maintain fuel subsidies (BBM), then the government increased the price of fuel oil. The increase in fuel prices will create a negative climate for the domestic economy, due to rising inflation and reducing the amount of demand for goods, this causes the company's (issuer) stock price to decrease (Hanoeboen, 2017). The results of this study are in line with the theory stated by (Purnama et al., 2021), oil prices have no effect on stock prices.

The Effect Sales Growth on Stock Prices

Based on the table above, the Sales Growth variable (X2) produces a t count of 0.963010 with a significant level of 0.3432. The t table value has a value of 2.012896, when compared to the t count value it is smaller than the t table value (0.963010 < 2.012896) with a significance value of 0.3432 > 0.05 meaning that it can be said that sales growth has no effect on stock prices. According to (Suripto, 2019), sales growth has no effect on stock prices, one of the reasons is the soaring selling expenses and operating expenses will cause net income to fall even though sales growth rises, and when sales growth increasesit is not always accompanied by an increase in stock prices. This happened because in 2019-2021, companies in the Transportation & Logistics sector experienced a decline in sales due to the pandemic and the Covid-19 transition period that occurred in Indonesia, so that many investors sold back their sharesand caused the company's share price to fall. This is in line with research that was conducted by(Hayati et al., 2019) sales growth has no effect on stock prices.

The Effect Financial Performance on Stock Prices

Based on the table above, the variable Financial Performance (X3) producest count -0.454038 with a significant level of 0.6531. The t table value has a valueof 2.012896, when compared to the t count value it is smaller than the t table value (-0.454038 < 2.012896) with a significance value of 0.6531 > 0.05 meaning that it can be said that financial performance has no effect on stock prices. This could be due to the condition of the company's profits that were not in optimal conditions because in 2019-2021 there was a pandemic and the Covid- 19 transition period in Indonesia so that the company's profits were unstable. And also, this indicates that investors do not solely use ROA as a measure in assessing company performance to predict stock prices in the capital market (especially on the IDX) (Devi Anggreini, 2019). This is in line with research conducted by (Efendi & Ngatno, 2018) which shows that partially ROA has no effect on stock prices.

The Effect BI Rate on Stock Prices

Based on the table above, the BI Rate (K) variable produces a t count of 3.049119 with a significant level of 0.0048. The t table value has a value of 2.012896 when compared to the t calculated value which is greater than the t table value (3.049119 > 2.012896) with a significance value of 0.0048 < 0.05 meaning that it can be said that the BI Rate affects stock prices. The BI Rate (Bank Indonesia Rate) is the reference interest rate set by Bank Indonesia to control interest rates in Indonesia. This interest rate has a significant effect on the economy as a whole, including the stock market. Rising interest rates will of course be burdensome for companies because the loan interest will be large. Large loan interest will have an impact on decreasing company profits. Declining company profits will send a negative signal to investors, where this negative signal can make investors sell back their shares which will result in the company's stock price going down. This is in line with research (Nur Aini, 2022), the BI Rate variable affects stock prices.

CLOSING

Conclution

This research attempts to study the effect of fuel prices, sales sales, and financial performance on stock prices in transportation and logistics sector companies listed on the IDX in 2019-2021. Based on the results of the analysis and discussion that have been explained, the results of this study indicate that fuel prices, sales growth, and financial performance have no effect on stock prices, while the BI Rate has an effect on stock prices. While simultaneously the price of fuel oil, sales sales, financial performance, and the BI Rate affect the stock.

Suggestion

Based on the conclusions above, the suggestions that can be put forward for the next research add other variables that may have a greater influence on the level of stock prices in the transportation and logistics sector, increase the research period so that the research results are more comparable to previous studies.

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THE INFLUENCE OF THE ACCRUAL BASE AND IT UTILIZATION ON THE QUALITY OF GOVERNMENT FINANCIAL REPORTS AT THE DPUPR IN PADANG CITY

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ABSTRACT

This study aims to determine the effect of applying the Accrual Basis and Utilization of Information Technology on the Quality of Government Financial Reports at the PUPR Office of Padang City. The method in this study is quantitative using primary data in the form of a questionnaire. In analyzing the data using SPSS 21 software, the sampling method used was purposive sampling of 30 respondents from ASN PUPR Office of Padang City. The analysis technique used is multiple linear regression. Based on the research results obtained, it shows that the application of the accrual basis does not affect the quality of government financial reports at the PUPR Office of Padang City, while the use of information technology has a positive effect on the quality of government financial reports at the PUPR Office of Padang City.

Keywords : Accrual basis application, use of information technology, quality of government financial reports

INTRODUCTION

One of the government's special efforts to realize transparency and accountability for state financial management is the submission of accurate financial statements based on the principles and Government accounting standards that have been regulated based on Undang-Law Number 17 of 2003 concerning State Finance which requires the application, form and content of APBN/APBD activity reports in accordance with government accounting standards specified in Government Regulations.

In terms of preparing financial statements, the PUPR Office follows and is guided by Government Regulation Number 71 of 2010 concerning Government Accounting Standards and other related rules and to facilitate the preparation of quality financial statements, DPUPR is supported by the use of Information Technology (IT).

RESULTS AND DISCUSSION

Data Instrument Test Results

Validity Test Results

In this study DF = 30-2 = 28, then the r table at 28 is 0.374 with a significant level of < 0.05, and based on the data obtained, shows that all statements of r-calculatedvalues > r-tables, so that all statement items of all variables have met the predeterminedvalidity criteria

Reliability Test Results

U ji Reliability based on cronbach's alpha where the value of *cronbach's alpha* is greater than or equal to 0.7 then shows *the* variable *is Reliable.*

After the data is processed with the SPSS 21 for windows program,the results of *Cronbach's alpha* value for the Application of the Accrual Base are 0.728 while IT Utilization is 0.825 and Financial Statement Quality is 0.706.

These three values of 0.7 mean that all indicators of thisresearch instrument are reliable.

Classical Assumption Test Results

Normality Test Results

Using *one sample kolmogorov smirnov test.* If the resulting valueis >0.05 then the data distribution can be said to be normal. Based on the test results, the normality test results show the magnitude of the *Kolmogrov-Smirnov Statistical Test* is 0.600 with asignificant test value of 0.864 > 0.05, so it can be said that the data isnormally distributed.

Multicollinearity Test Results

Intests with VIF values for each independent variable and to be freefrom multicholinerity the tolerance value must be above 0.10 and the VIFvalue below 10. Based on the test results, it is known that the *tolerance* value of the independent variable of the Application of the Accrual Baseand the IT Utilization variable is 0.750 > 0.1, respectively. While the VIFvalues for the Accrual Base Application Variable and the IT Utilization variable are respectively 1.333 < 10, it can be concluded that this regression model does not occur symptoms of multicholinerity.

Heteroscedasticity Test Results

Using the glacier test, if the significant level of probability is >0.05, heterokedasticity does not occur. Based on the test results, it is known that the value of the significantprobability of the variable Application of the Accrual Base (X1) is 0.931while the value of the significant probability of the IT Utilization variable(X2) is 0.781. In this case significant variables X1, X2 > 0.05 so it can be concluded that this regression model does not contain heteroscedasticity.

Hypothesis Test Results

Test T value (t-test)

The T test is carried out to further examine which of the two variables of the Application of the Accrual Base and Utilization of Information Technology (IT) is significant or not to the Quality ofGovernment Financial Statements. Using t table as material for comparison with a significant level of 0.05. The formula t table is a significant value of 0.05 divided by 2= 0.025, with degrees of freedom df=n-k-1 or 30-2-1=27, then the result obtained for t table is 2.051831. Based on data testing, a calculated T value was obtained for the variable Application of the Accrual Base (PBA) of = 1.161 <2.051831 with a significant 0.256 > 0.05. Therefore, H1 is rejected, meaning that there is no influence between the Application of Accrual Base (X1) on the Quality of Government Financial Statements in DPUPR Kota Padang. For the Information Technology (IT) Utilization variable, there isa calculated T value of = 4.303 > 2.051831 (t count > t table), with a significant level of 0.00 < 0.05. So H2 is accepted, meaning that there is an influence between IT Utilization (X2) on the Quality of Government Financial Statements in DPUPR Kota Padang.

F value test (F-test)

Test F was conducted to further examine whether the two Independent variables simultaneously affect the quality of Government Financial Statements in DPUPR Kota Padang. Muses the F table as a comparison material with a significant level of > 0.05. The F table formula, that is, with degrees of freedom df = (k;n-k) or 2;30-2=28, then the result obtained for F table in column 2 for df=28 is 3.34. The results of testing the data, obtained a calculated F value for the Independent variable of = 16.561 > 3.34. So H1 is accepted, meaning that there is an influence of the independent variable of the application of accrual bases and IT utilization simultaneously on the dependent variable of the quality of government financial statements in the DPUPR of Padang City.

3. Coefficient of determinant (r^2)

The R Square value is used to measure how much the model is capable of applying the dependent variable. The results of the terminationtest were obtained nila i R *Square* of 0.5 51 meaning that the percentage of contribution of the influence of the Variable Application of the Accrual Base and IT Utilization on the Quality of Government Financial Statements was 5 ,%. While the remaining 4.4.9% was influenced by other variables that were not studied.,

Multiple Linear Regression Test

The test was carried out using the help of SPSS 21 so that the test results were formulated with the following equation:

Y = a + b1X1 + b2X2 + e

$Y = 9.725 + 0.220\ X_1 + 0.494\ X_2$

Based on the equation can be interpreted as follows:

Konstanta of 9.725 *(*indicates the situation when variable Y (Quality of Government Financial Statements) has not been influenced by the independent variable (Application of Accrual Basis and IT Utilization). If the independent variable does not exist then the dependent variable will not change.

Regression coefficient X1 = 0.220, indicating each increase in the variable Application of the Accrual Base of 1 unit Will increase the variable Financial Statement Quality by 0.220 by assuming othervariables in the model are constant. Regression coefficient X2 = 0.494 means that every increase in the variable Utilization of Information Technology (IT) by 1 unit, will increase the Quality of Financial Statements by 0.494 by considering other variables in the model constant.

DISCUSSION

The Effect of the Application of Accrual Basis on the Quality of Government Financial Statements at the PUPR Office of Padang City. From the partial test results, it was found that the Application of AccrualBasis did not affect the Quality of Government Financial Statements. The calculated t value is 1.161 while the t table is 2.051831. then t count is smallerthan t table (1.161 < 2.051831) with a significant level of 0.256 > 0.05 then H_0 is accepted and Ha is rejected which means that the application of individual accrual bases does not affect the quality of government financial statements at the PUPR Kota Padang Office.

The Effect of Information Technology (IT) Utilization on the Quality of Government Financial Statements at the PUPR Office of Padang City. From the test results it is partially known that the use of Information Technology partially has a positive effect on the Quality of Government Financial Statements. The calculated t value is 4.303 while the t table is 2.051831. then t count is greater than t table (4.303 > 2.051831) with a significant level of 0.000 < 0.05 then the use of information technology individually affects and significantly affects the quality of government financial statements.

CONCLUSION

The partial application of the Accrual Base does not affect the Quality of Government Financial Statements at the PUPR Office of Padang City. This is based on the results of the hypothesis test conducted and the test results are obtained which show that the Variable of Application of the Accrual Base (X1) has a calculated t value of 1.161 while the t table is 2.051831. then t count is smaller than t table ($1.161 < 2.051831$) with a significant level of $0.256 > 0.05$ then H_0 is accepted and Ha is rejected which means The application of the Accrual Basis individually does not affect the quality of Government Financial Statements at the PUPR Office of Padang City.

The use of Information Technology (IT) partially has a significant effect on theQuality of Government Financial Statements at the PUPR Office of Padang City. This means that the higher the utilization of Information Technology, the higher the further improve the Quality of Government Financial Statements at the PUPR Office of Padang City.

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ABNORMAL RETURN AND TRADE VOLUME BEFORE ANDAFTER THE ANNOUNCEMENT OF THE COVID-19 PANDEMIC IN LQ-45 INDEXED SHARE

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ABSTRACT

The aim of this studyknow and analyze the difference in the average abnormal return before and after the Covid-19 pandemic. and to find out and analyze the difference in average trading volume before and after the covid-19 pandemic.This research is a quantitative study with the data obtained processed using SPSS 21 software. The results of the study show thatthere is no significant effect of abnormal returns and trading volume before and after the announcementof the covid-19 pandemic on stock prices at LQ-45.
Keywords: Abnormal Return,Treding Volume,LQ-45

INTRODUCTION

The corona virus is a variant of the virus that appeared for the first time in Wuhan City, China at the end of 2019. The virus can spread face to face when dealing with sufferers, then since January 30 2020 WHO has announced that this virus has become an epidemic that attacks the whole world. The spread of the virus is very fast from one place to another, so WHO has officially declared this virus as a pandemic, and the side effects on business entities registered on IDX can be seen on capital market investors. Investors were exposed to panic selling giving a negative impression, so shares at IDX experienced a decline(Artika, 2020).

There is a decline in the Joint Stock Price Index and it can affect the prices of other stocks listed on IDX. Thus the sales of shares have fluctuated since early March 2020. The main director of the IDX said that the JCI had decreased by 26.43% from the beginning of the year to 4,635 since April 17, 2020 (CNN, 2020). From April 20-24, the JCI experienced a decline of 2.99% to a price of 4,496 (Investor.id, 2020).

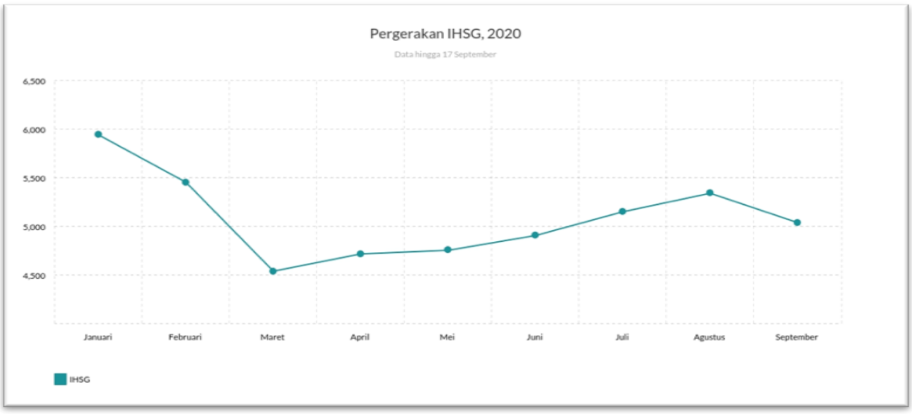


Figure 1.1 Share Prices of LQ45 Business Entity Index

On Figure 1.1 above shows that the price of shares belonging to LQ45 business entities after the announcement of the pandemic experienced fluctuating due to the confusing news received by the capital market, then the issuer tried to make corrections to the business entity that was recorded. Then business entities will later improve and increase sales of business entities. Aspects that support the occurrence of business entity transactions recorded LQ-45 have increased due to notifications from the government about the many cases of death due to this pandemic, so people are panic buying to buy masks and sanitizers.

Several events have occurred, such as natural disasters, financial crises and the highlight, namely the Covid-19 Pandemic. This pandemic caused the price of purchased shares to experience an unstable decline which resulted in the JCI experiencing fluctuations in the LQ-45 business entities, as can be seen in the table below:

Table 1.1 JCI and LQ-45 Transaction Volume

Before and After the Covid-19 Pandemic Transaction Volume (in sheets)

Transaction Volume (in sheets)

Date	JCI	Closing	LQ45
24-Feb	5,766,567,155	5,807.05 /941.515	1,535,146,790
25-Feb	5,112,788,257	5,787,138/941,677	1,246,796,553
26-Feb	9,150,384,730	5,688,921/922,661	1,657,912,747
27-Feb	6,026,915,777	5,535,694/892,758	1,557,075,137
28-Feb	8,240,906,477	5,452,704/879,531	2,437,827,459
2-Mar	6,175,408,859	5,361,246/859,325	1,668,316,006
3-Mar	6,451,937,104	5,518,628/891,939	2,426,598,146
4-Mar	5,842,954,699	5,650,136/922,508	1,698,374,854
5-Mar	6,024,507,261	5,638.13/919,685	1,437,999,993
6-Mar	4,990,863,147	5,498.54 /887,032	1,413,948,792
9-Mar	6,513,217,778	5,136,809/813,753	2,119,469,429

Source:www.idx.co.id2020.

On March 2, 2020 was the first day of the Covid – 19 Pandemic event, and the transaction volume on that day was 6,175,4088,859 shares for the JCI and the transaction volume was 1,668,316,006 shares for LQ-45. In table 1.1 it can be seen that for the JCI on the five days prior to the Covid-19 Pandemic there were 2 declines, namely on March 4 and March 6 2020. On those dates the transaction volume decreased to 5,842,954,669 shares of JCI and on March 6 2020 transaction volume decreased to 4,990,863,147 JCI shares. In addition, there was also a decrease in transaction volume on the same dates, namely March 4 2020 and March 6 2020. On those dates the transaction volume decreased to 1,698,374,854 shares of LQ-45.

This experiment uses the abnormal return approach and the amount of stock sales to observe investor behavior during the announcement of stock value fluctuations. Return and the amount of share sales were chosen because they are significant enough to know the behavior of investors in facing certain events, but for objects taken from business entities listed on LQ 45 shares it is intended to know the response from the Indonesian capital market as a whole because LQ45 shares consist of 45 business entities that actively traded. The LQ 45 index has a market investment of 70% exceeding the amount of investment in the Indonesian capital market, with this large investment the LQ 45 can replace the market community in Indonesia as a whole(Wulandari, 2021). Based on this description, the researcher is interested in carrying out observations of "Abnormal Return and Trading Volume Before and After the Announcement of the COVID-19 Pandemic in LQ-45 Indexed Stocks”. This research uses a closing price data approach, trading volume, stock returns and abnormal returns, namely for the previous 5 days and 5 days after the notification of the pandemic.

LITERATURE REVIEW

Signaling Theory

Developing signal theory was introduced by Spence (1973) to describe the behavior of workers (labor market). This theory is related to the behavior of two parties in seeking other information. This theory describes the steps taken by the signal giver to change the behavior of the signal receiver. This theory is used in the fields of accounting, auditing and financial management which explains the distribution of signals to business entities through various factors that determine financial information that investors can pay attention to. In general, a signal is defined as a form of signal implemented by a business entity on the part of the capital provider. These signals can take various forms, both face-to-face and observable or those that require special attention to study. Several types of signals are given, all are aimed at informing something related to the expectations of the market/outsiders who continuously change the assessment to the business entity. It can be interpreted, the selected signal must contain strong information (information content) in order to be able to change the judgment of outsiders of the business entity.

In general, signal theory can tell which signals are useful and which are not. Signal theory deals with the inherent qualities that make those signals convey a sense of confidence and interest. Therefore, this theory understands what happens when a signal is not trusted and is not useful. The desire to send the signal and the receiver is sometimes inappropriate.

Abnormal Returns

Abnormal return is the difference between a real return and an uncertain return that tends to occur if it is not notified, because the news that spreads to the stock exchange is usually not official.(Diansari, 2021). Abnormal returns are categorized into 2, namely positive and negative abnormal returns. A positive abnormal return is the actual return because it has a large difference from the expected stock return, so a negative abnormal return is the expected return that has a big difference from the actual return.

If the abnormal return has a good view, the investor's response is to buy a stock with the desire to make a profit, if the abnormal return is negative, then the investor's response is to sell his shares due to fears of a price drop.(Suryani, n.d.). Abnormal returns from a stock that can be realized when notificationsare related to events that can be observed using the event study method (Sustainable, 2021). The advantage of the return actually occurs to the normal return, abnormal retention/abnormal return is the difference between the expected return and the actual return (Jogiyanto, 2000).

Trading Volume

Trading volume is defined as the number of shares traded at that particular time (Kusufiyah & Anggraini, 2022). Active sales can be seen the number of sales on that day, so that investors' interest in the stock can be known. The amount of sales has a good impact on the share price, if the amount of sales increases, the share price increases, but not all sales amounts have an impact on the share price because the acquisition of the amount of sales can change if certain events occur, because the market price is the share price at that time.

RESEARCH METHODS

Population and Sample

The population is a general area derived from objects/subjects that have related characteristics that have been determined by researchers to be studied and benefited from. The population in this experiment is all business entities recorded on IDX. (www.idx.co.id/data-pasar/data-saham/indeks-saham).

The sample is a characteristic possessed by the population where the data collection must represent that population. The sample includes part of the population whose characteristics are determined and can represent all the characteristics of the population. Samples were selected using a census approach, this experiment used LQ45 business entities recorded on IDX.

Data analysis method

To do this experiment. The following are the steps and variable measurements that must be carried out:

Specifies the event period/window period. The event period required for the research is 11 days, divided into five days prior to the notification of the Covid-19 pandemic for LQ-45 indexed stocks.

Calculate the actual success rate (actual return). In order to calculate the actual return, the closing share price of each business entity is used within30 days prior to the notification, the day of the notification, and 30 days after the notification. According to Jogiyanto (2003: 434) the actual returncalculation uses the formula, namely:

Ac $t(Ri) = \frac{(\mathbf{P_{i,t}} - \mathbf{P_{i,t-1}})}{P_{i,t-1}}$

Where:

Act (Ri) = *Actual returns* share

Pi,t = Price of stock i on day ket

P t-1 = Price of stock i on day-1

Calculate the daily success rate (expected return) with the size of the Composite Stock Price Index (IHSG) in the period of 5 days before the notification, the day of the notification, and 5 days after the notification. To explain the expected return, 3 models are used, namely the mean adjusted model, the market model, and the market adjusted model. In this experiment using the third model, namely the market adjusted model, thismodel assumes that the expectation is good for estimating stock returns. According to Jogiyanto (2003: 445) this model can be calculated by the following formula:

RMt = JCIt – IHSGt-1JCI t-1

Where :

RMt = *return*market

IHSGt = Composite stock price index on day t

IHSGt-1 = Composite stock price index on day-1

4. Calculating abnormal returns at 30 days before notification, days after notification, and 30 days after notification. According to Jogiyanto (2003:434) the equation of the formula is:

ARit = Rit – Rmt
Where :
Sickle = Abnormal return from each stock i on day
tRit = Actual return of stock i on day t
RMt = Market return on day t
5. the abnormal return value is calculated using this formula (Jogiyanto,2003: 447).

$$\mathbf{AARnt} = \frac{\sum_{t-1}^{n} ARit}{n}$$

Where :
AARnt = average abnormal stock return on day
tn = number of business entities studied
5. The amount of stock sales is calculated using the Foster method (1986:375) using the following formula:

$$TVAit = \frac{\text{shares of company i traded at time t}}{\text{Shared of company i that are outstanding at the time t}}$$

6. Furthermore, the amount of sales of shares is known, then the average valueof sales is sought using the Foster method, 1986:375:

$$\mathbf{TVA} = \frac{\sum_{i-1}^{ik} TVAi}{n}$$

Where :
TVA = Average stock trading volume on day
tN = number of business entities studied
7. Carrying out Hypothesis Testing
Data Normality Testing
This experiment will test the normality of the data using the One Sample Kolmogrof Smirnov-test with a significant level of 5% using SPSSsoftware version 21. This is done by setting a test hypothesis, namely:
Zero Hypothesis(H0): Data is normally distributed Alternative hypothesis(Ha) : Data is not normally distributed

Hypothesis Test

Testing the 1st and 2nd hypotheses in this experiment was carried out usingthe SPSS version 21 software program with the following requirements: If the data is well distributed then the hypothesis test uses statistics parametric, namely using the Paired Sample t-Test.

If the data is not well distributed, then the hypothesis will be tested using non-parametric statistics using the Wilcoxon Signed Ranks Test.
Decision-making If the probability is > 0.05, then H0 is accepted and Ha is rejected

If the probability is <0.05, then H0 is rejected and Ha is acceptedThis experiment uses different tests with related samples (paired samples t-test) to test the comparison of the paired sample means, namelythe comparison of the mean abnormal return and the amount of stock sales for 5 days before and 5 days after the incident.

DISCUSSION RESULT

*Actual returns*and expected return, the abnormal return can be calculated. The next procedure is to calculate the average abnormal return (AAR) and then divide it into two parts, namely the AAR before the event day and the AAR after the event day.

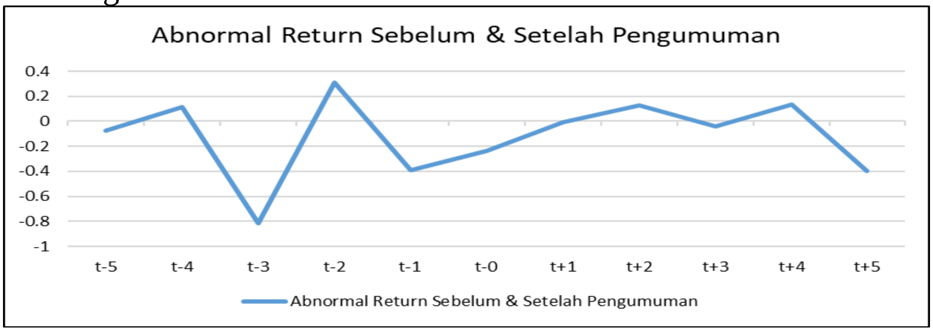
Table 4.1 Descriptive Statistics Average Abnormal Return

Descriptive Statistics

	N	Minimum	Maximum	Means	std. Deviation
Abnormal Return Before	5	-.81491	.31118	-.1706980	.44313692
Abnormal Return After	5	-.39898	.13714	-.0358620	.21778312

Source: Data processed by the author

Based on the statistical descriptive table above, it was found that the AAR values for the five days before and five days after the LQ45 business entity had a small AAR score of -0.81491 and -0.39898. high AAR scores were 0.31118 and 0.13714, then the average scores for AAR were -0.1706980 and -0.358620 with standard deviations of 0.44313692 and 0.21778312. and for the fluctuation of AAR during the observation period itself can be seen in the image below.



Source: Data processed by the author

Figure 2.1 AAR fluctuation before and after the announcement ofcovid-19

Based on the picture above, it shows that the AAR with a high value iswhen t-2 is 0.3 , t-4 is 0.1 and then for AAR in the period before the day of the event the low value is when t-5 is -0.1 , t-3 is -0.8 and t-1 is -0.4 and is the lowest score during the period before the event day.

One day after t-1 the AAR value increased precisely on the day of the event, namely on t-0 with an AAR value of -0.3. one day after the day the event took place the AAR value experienced a high increase from t+1 by 0.0, the possibility of t+2 had increased by 0.1 then on t+3 it had decreased by –0.1 and then on t+4 it had increased by 0.1 and again experienced the decrease at t+5 is -0.2. This is most likely because investors do not want to invest normally because they see domestic conditions with the announcement of Covid-19.

Trading Volume

(ATVA) which is divided into 2 parts, namely the ATVA before the event day and the ATVA after the event day. The data can be seen in the table below:

Table 4.2 Descriptive Statistical Average TVA

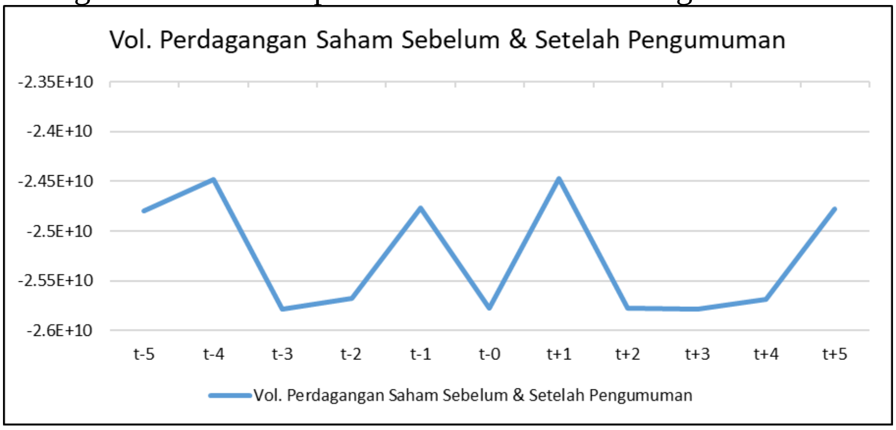
Descriptive Statistics

N	Minimum	Maximum	Mean	Std. Devia

Vol. Perdagangan Saham Sebelum	5	-25781312615	-24477042789	-25101191998.20	58926175
Vol. Perdagangan Saham Setelah	5	-25785236008	-24468835532	-25299513268.80	62851255

Source: Data processed by the author

Based on the descriptive statistical data, the lowest ATVA values during the five-day trial period before and five days after for LQ45 business entities were -0.25781312615 and -0.25785236008. and the highest is -24477042789 and -24468835532 , while the mean ATVA is -25101191998.20 and -25299513268.80 , with a standard deviation of 58926175 and 62851255, to find out the fluctuation of the ATVA value during the observation period can be seen in the figure below.



Source: Data processed by the author

Figure 2.2 ATVA fluctuations before and after the announcement of Covid-19

Based on the data above, it shows that the day of the event the ATVA value at t-5 is -235674322, then for the next day the ATVA value rises precisely at t-4 to -245994432, but decreases again at t-3 as much as - 245566211 then increases at at t-2 it was -2.478321444 then at t-1 it increased by -2.346228811 and again there was a decline at t-0 by -2.52241822 on the event day the ATVA value at t+1 was -245772299 and then t+2 again decreased as much as -26342200 and then at t+3 it increases by -268342200 and so does with t+4 as much as -236722339 and t+5 the ATVA value is as much as -2.56722289.

Normality test

Normality testing is a test that is carried out using variable data that we will test is normally distributed / not. normality testing in this experiment used the One Sample Kolmogrov-Smirnov-test with the following characteristics:

If the significant score is <0.05, it is not normally distributed

If the score is significant > 0.05, it is normally distributed

Table 4.3:AAR Normality Test

Variable	Significant	Information
AAR H-5	0.200	Normal Distribution
AARH+5	0.181	Normal Distribution

Source: Data processed by the author

Based on table 4.3, it can be concluded that the AAR during the h-5 observation period for LQ 45 business entities is a significance (sig) of 0.200. The sig value in the period before the event day was 0.200 > 0.05, so testing the AAR data on the period before the event using the Kolmogorov-Smirnov method proved that the AAR data was normally distributed. And at h + 5 AAR during the observation period was 0.181 with a score of 0.181. The significance score in the period after the day of the event was 0.181 > 0.05 later testing the AAR data in the period after the event using the Kolmogorov-Smirnov method proved that the AAR data was normally distributed. Whether or not the data is normal will affect the test equipment used to study the experimental hypothesis. If the data is normally distributed then a hypothesis test will be carried out using parametric statistics and if the data is not normally distributed then a hypothesis test will be carried out using non-parametric statistics. The 1st hypothesis test will be carried out using a parametric approach, namely the Paired Sample t-Test because the data is normally distributed.

The normality test for the second variable in this experiment also used the One Sample Kolmogrov-Smirnov-Test. This normality test is used to examine the normality score of a sample related to a certain distribution, with the following characteristics:

If the significant score is <0.05, it is not normally distributed
If the score is significant > 0.05, it is normally distributed

Table 4.4:ATVA Variable Normality Test

Variable	Significant	Decision
ATVA H-5	0.179	Normal Distribution
ATVA H+5	0.075	Normal Distribution

Source: Data processed by researchers

Based on table 4.4, it can be concluded that the ATVA during the h-5 observation period in LQ 45 business entities was 0.179 with a significance (sig) of 0.179. The significant score in the period before the event day was 0.179 > 0.05, so testing the ATVA data in the period before the event using the Kolmogorov-Smirnov method proved that the ATVA data was normally distributed. And at h + 5 ATVA during the observation period was 0.075 with a score of 0.075. the significance score in the period after the day of the event was 0.075 greater than 0.05 or 0.075 > 0.05, testing the ATVA data in the period after the event using the Kolmogorov-Smirnov method proved that the ATVA data was normally distributed. Whether or not the data is normal will affect the test equipment used to study the experimental hypothesis.

If the data is normally distributed then a hypothesis test will be carried out using aparametric approach and if the data is not normally distributed then a hypothesis test will be carried out using a parametric approach. The 1st hypothesis test will be carried out using a parametric approach, namely the Paired Sample t-Test because it is normally distributed.

Hypothesis test First Hypothesis

The first hypothesis or Ha1 is that there is a comparison of the average abnormal return score before or after the pandemic notification. Based on the normality test that has been carried out, the appropriate testing tool is used to examine the 1st hypothesis, namely the Paired Sample t-Test.

Table 4.5:Paired Sample t-Test AAR Test Results

Period	Average	t-count	Significant	Information
Before	-0.1706980			Not significant

After	-0.358620	-0.816	0.460	

Source: Data processed by researchers.

Based on table 4.5 above, it can be seen that the AAR value before the announcement was -0.1706980 and after -0.358620 the t-count was -0.816 with a significance of 0.460. In testing the Paired Sample t-test, there are criteria that apply, namely:

If the significant score is <0.05, then H01 is rejected and Ha1 is accepted

If the significant score <0.05, then H01 is accepted and Ha1 is rejected

Based on the Paired Sample t-test that has been carried out, it was found that H01 was accepted and Ha1 was rejected because the sig score was 0.460 > 0.05 so that it could be concluded that there was no difference from the sig score on the average AAR before and after the pandemic notification.

Second Hypothesis.

The second hypothesis or H02 is that there is no difference before or after the notification of the pandemic. Based on the normality test that has been carried out, the test tool used in studying the second hypothesis is the same as the first one, namely the paired sample t-test.

Tabel 4.6

Uji *Paired Sample t-Test ATVA*

Periode	Rata-Rata	t-hitung	sig	Keterangan
Sebelum	-25101191998.20	0.700	0.523	Tidak Signifikan
Sesudah	-25299513268.80			

Sumber: Data diolah penulis

Based on table 4.6 above, the ATVA value before the announcement was -25101191998.20 and after -25299513268.80 the t-count was 0.700 with a significance of 0.523. In the Paired Sample t-test, the following criteria apply:

If the significant score <0.05, then H02 is rejected and Ha2 is accepted

If the significant score <0.05, then H02 is accepted and Ha2 is rejected

Based on the Paired Sample t-test that has been carried out, it was found that H02 was accepted and Ha2 was rejected because the sig score was0.523 > 0.05. It can be concluded that there was no significant difference inthe average ATVA before and after the announcement of Covid-19.

CONCLUSIONS & RECOMMENDATIONS

Based on the results of the analysis that has been carried out and discussed, it can be concluded:

There is no significant comparison of the abnormal stock return scores before and after the pandemic announcement for LQ 45 stocks. This is because the abnormal stock returns obtained both indicate the appropriate price.

There is no meaningful comparison of the value of stock trading volume before and after the notification of the pandemic for LQ 45 shares. Because the stock trading volume obtained both stated the appropriate price

Based on the limitations above, the things that the next writer can suggestare:

for investors can be able to think about all the decisions taken at the time of investment on the information reported.

For scientists, it is hoped that this research can be used as a reference in learning about market efficiency testing and event studies.

If it is possible for further research to add a period and measurement toolssuch as stock beta, because stock beta refers to an indicator that shows a level of stock risk to market risk and to test the information content of an event so that research can further develop.

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THE EFFECT OF TAX RATE, TUNNELING INCENTIVES, AND BONUS MECHANISM ON TRANSFER PRICING DECISIONS IN MANUFACTURING COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE (CONSUMER CYCLICALS SECTOR 2019-2021 PERIOD)

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ABSTRACT

This study aims to examine the effect of the tax rate, Tunneling Incentives, Bonus Mechanisms on Transfer Pricing decisions. The sample in this study are manufacturing companies in the Consumer Cyclicals sector in 2019-2021. The sampling technique used was purposive sampling in order to obtain a sample of 62 companies that met certain criteria for 3 consecutive years, from 2019-2021. Tests in this study used multiple linear regression, descriptive statistics, regression model feasibility test, and the entire model test, multicollinearity test, regression analysis, hypothesis testing, t (partial) test, determination. The data used is secondary data sourced from the company's annual financial reports through the website www.idx.co.id. The results of the study show that the tax burden has no significant effect on transfer pricing. while the tunneling incentive has a significant effect on transfer pricing, but the bonus mechanism has no significant effect on transfer pricing. The coefficient of determination in this study shows a value of 0.041498. This means that it shows that the tax burden, Tunneling Incentive, Bonus Mechanism has 99.6% influenced by other variables that are not included in the model.
***Keywords** (Bonus Scheme ; Effective Tax rate ; Tunneling Incentive ; Transfer Pricing*

INTRODUCTION

Transfer Pricing can be interpreted as the price determined in a transaction made between members in a multinational company, the practice of Transfer Pricing refers to the amount charged in cross-border or delivery services for destinations abroad quickly, economically, guaranteed security and comfort that occurs between legal entity with affiliated parties. Regarding the pricing provisions in Article 1 point 5 PMK (Regulation of the Minister of Finance) Number 213/PMK.03/2016 which reads Determination of Transfer Pricing Prices, hereinafter referred to as prices in Affiliated Transactions.

The objectives to be achieved in Transfer Pricing include securing the competitive position of subsidiary companies and market penetration, avoiding foreign exchange controls, regulating adequate subsidiary cash flows, reducing the burden of imposing taxes and import duties, reducing the risk of being taken over by the government. aims to make the costs paid to the company have a minimal nominal by taking advantage of regulatory loopholes that exist in a country.

One of the factors that influence companies to transfer pricing is the tax burden. The definition of tax rate according to the Statement of Financial

Accounting Standards 46 (PSAK 46) in (Halimi & Waluyo, 2019) is the tax rate (Tax expense) the amount of current tax (Current Tax) and deferred tax expense (Deferred Tax) which is calculated in the calculation of accounting profit and loss at or in the current period as an income expense. other things from the factors that can influence a company to carry out transfer pricing include the Tunneling Incentive. According to Statement of Financial Accounting Standards No. 15 (2015) Tunneling Incentive is an entity that has a share of 20% or more either directly or indirectly so that the entity is considered to have significant influence in controlling the company.

The next factor that can influence companies to carry out transfer pricing is the Bonus Mechanism, which is an effort made to provide an explanation of the mechanical system, which can be interpreted as any local motion that occurs in a tool which intrinsically cannot be changed according to the internal structure of natural objects in it. universe. Several factors, namely the tax burden, Tunneling Incentive, and the bonus mechanism. Performing Transfer Pricing is definitely part of the company's plan, in which the company will minimize the corporate tax burden that will be paid later so that it can reduce expenses and generate high profits. So based on the explanation above and also supported by differences in the results of previous studies related to variables that affect transfer pricing.

LITERATURE REVIEW

The theory used in this research is agency theory which explains contracts between principals, namely parties who employ other parties called agents which involve delegation of decision making (Jensen and Meckling, 1976). Agency theory is also an economic theory that has the background to differences in conflicts of interest in companies or organizations (Lestari and Wirawati, 2016). Agency relationships sometimes cause problems between managers and shareholders or are usually called conflicts of interest (Agency Conflict), conflicts that arise as a result of the desire of managers (Agents) to take actions that are in accordance with their interests which can sacrifice the interests of shareholders (Principal) in order to obtain Return. and future corporate value.

For Time Series data for 3 years and Cross Section data for 58 companies and 174 observations. Companies registered as Manufacturing companies in the Consumer Cyclicals sector during the 2019-2021 period obtained from the Indonesia Stock Exchange (http://www.idx.co.id/). Sources of data in this study were obtained from secondary data. The secondary data obtained is in the form of annual financial reports (Annual Report) of Manufacturing Companies in the Consumer Cyclicals sector which are listed on the Indonesia Stock Exchange during 2019-2021 and other references available on the official website of the Indonesian Stock Exchange and the official websites of each company.

Documentation studies are carried out by collecting documentary data sources such as annual financial reports from several companies that are the research samples. ignoring the principle of fairness can be by increasing or decreasing prices. This study uses the value of related party transactions because transfer pricing and related party transactions are related party transactions. Then it is used with the measurement of the Dummy variable.

Transfer Pricing is measured by:

No related sales Y = Have related sales

Tax in this study is proxied by the effective tax rate which is the ratio of Tax rateminus Deferred Tax rate divided by taxable profit which can be measured using the formula.

$$\textbf{ETR} = \frac{\text{Tax expense - Differed tax expense}}{\text{taxable profit}}$$

According to Mispiyanti (2015) Tunneling Incentive is proxied by shareholder provisions which is located in another country where the percentage of share ownership is 20% or more with a lower tax rate than Indonesia. This is containedin PSAK number 15 concerning significant influence is determined by the percentage of 20% or more owned by shareholders. The Tunneling Incentive variable is proxied by the calculation:

$$\text{TNC} = \frac{\text{the largest number of shareholdings}}{\text{Number of shares outstanding}}$$

The calculation of the net profit trend index is the component used to measure this variable. According to (Irpan, 2010), the Net Profit Trend Index (ITRENDLB) is calculated by:

$$\text{ITRENDBL} = \frac{\text{year net profit t}}{\text{net profit year t-1}}$$

Multiple regression analysis was used as a statistical analysis technique in this study. The independent variables in the multiple linear regression model are more than one variable. The multiple linear regression equation is:

Y = a + b1X1 + b2X2 + b3X3 + e

Information :

Y = Transfer pricingX1 = Tax

X2 = Tunneling incentivesX3 = Bonus Mechanism

a = Constant

b = Regression Coefficient.

Regression Model Feasibility Test (Goodness of fit Test)

The feasibility test of the regression model was assessed using Hosmer and Lemeshow's Goodness of Fit Test, which was measured using the chi-square value. This model is to test the null hypothesis that the empirical data is in accordance with the model (there is no difference between the model and the data so that the model can be said to be fit) (Ghozali, 2018: 333).

Overall Model Fit Test

The overall model fit test is used to determine the feasibility of the research model, whether the model used in this study is feasible or not. The model is saidto be feasible if the data matches or fits the research model (there is no differencebetween the model and the data, so the model is said to be fit).

Logistic Regression Analysis

In this study using the logistic regression model, which is part of the associative analysis to test the effect of the Tax Burden, Tunneling Incentives, and Bonus Mechanisms on Transfer Pricing. Where logistic regression is a form of nonlinear regression model that uses an exponential function in parameter estimation (Ganiand Amalia, 2015). The reason for using logistic regression in this study is because the dependent variable, namely Transfer Pricing, is a dummy variable that uses categorical (nominal) data in its measurement scale. According to Ghozali (2006) in Nurachman, logistic regression is suitable for research where the dependent variable is categorical (nominal or non-metric).

The following is the logistic regression equation:

$Li = Log \frac{pi}{} = \beta o + \beta 1\ X1 + \beta 2\ X2 + \beta 3\ X31\text{-}pi$

RESULTS OF DATA ANALYSIS

Multiple linear regression analysis

Multiple linear regression is a regression model that involves more than one independent variable. Multiple linear regression analysis was carried out to find out the direction and how much influence the independent variables have on thedependent variable (Ghozali, 2018).

Table 4.1: Multiple linear regression analysis

Dependent Variable: Y
Method: ML - Binary Logit (Newton-Raphson / Marquardt steps)
Date: 04/11/23 Time: 12:27
Sample: 2019 2021
Included observations: 171
Convergence achieved after 26 iterations
Coefficient covariance computed using observed Hessian

Variable	Coefficient	Std. Error	z-Statistic	Prob.
C	1.584643	1.292127	1.226384	0.2201
X1	- 0.000943	0.000608	-1.551185	0.1209
X2	0.015606	0.007240	2.155552	0.0311
X3	3.44E-09	4.46E-09	0.770887	0.4408

Y = 1.584643 - 0.000943 + 0.015606 + 3.44E-09

From the equation above, it shows that a constant value of 1.584643 means that if the variable tax burden, Tunneling Incentives, Bonus Mechanisms is constant or (0), then the amount of Transfer Pricing is 1.6%. Based on the results of the descriptive statistical analysis, the following table shows the results of the variable analysis which consists of the dependent variable, namely transfer pricing and the independent variables, namely Tax rate, Tunneling Incentive, Bonus Mechanism. Consists of the mean value (average), maximum value, minimum value and standard deviation. The descriptive variable data in this study can be seen in the following table:

Table 4.2: Descriptive statistics

	Y	X1	X2	X3
Mean	0.450292	2120.825	16.07602	1.26E+11
Median	0.000000	2163.000	0.640000	0.420000
Maximum	1.000000	2625.000	382.3900	2.16E+13
Minimum	0.000000	1562.000	0.190000	-18141234
Std. Dev.	0.498984	261.9937	56.47546	1.65E+12
Skewness	0.199820	-0.338700	5.278613	12.96171
Kurtosis	1.039928	2.404822	32.66274	169.0059
Jarque-Bera	28.51136	5.793392	7063.250	201138.6
Probability	0.000001	0.055205	0.000000	0.000000

Sum	77.00000	362661.0	2749.000	2.16E+13
Sum Sq. Dev.	42.32749	11668915	542211.2	4.63E+26
Observations	171	171	171	171

Based on the results of the descriptive statistical test in table 4.2 above, it shows that the number of observations in the Consumer Cyclicals sector manufacturing companies listed on the Indonesia Stock Exchange during the 2019-2021 period was 171. Descriptively, transfer pricing as the dependent variable uses the dummy variable formula, so this value is only seen with the presence of sales to the company or the absence of sales in the company to related parties. The tax burden as the first independent variable has a maximum value of 2625,000 or 26% which is owned by the company Indomobil Sukses Internasional (IMAS) in 2019. This means that the tax burden owned by the company is higher compared to other samples. Meanwhile, the minimum value of 1562,000 or 15.62% owned by Erajaya Swasembada Tbk (ERRA) in 2019 means that the capital intensity owned by the company is lower compared to other samples. The mean value is 2120.825 or 21% with a standard deviation value of 261.9937 or 26%.

Tunneling incentive as the second independent variable which has a maximum value of 382.3900 or 38% owned by the company Langgeng Makmur Industri Tbk (LMPI) in 2019-2021, means that the tunneling incentive is higher than the other samples. While the minimum value is 0.190000 or 0.19% owned by the company Ricky Putra Globalindo Tbk (RICY) in 2019-2021, meaning that the tunneling incentive owned by the company is lower compared to the other samples. The mean value of tunneling incentive is 16.07602 or 16% with a standard deviation value of 56.47546 or 56%. The bonus mechanism as the third or last independent variable with a maximum value of 2.16E+13 or 2.16% owned by Mitra Adiperkasa Tbk (MAPI) in 2020 is higher than the other samples. While the minimum value is -18141234 or -18% owned by Indo Kordsa Tbk (BRAM) in 2019. This means that the value of the bonus mechanism owned by the company is low compared to other samples. The mean value is 1.26E+11 or 1.26% with a standard deviation of 1.65E+12 or 2%.

Hosmer and Lemeshow's Goodness of Fit Test Model Feasibility Test

The Hosmer-Lemeshow test is a Goodness of fit test based on probability prediction values, the Hosmer-Lemeshow Test is widely used to test the suitability of models using big data. The use of large enough data in a logistic regression analysis can create some stability problems for the test. Therefore, (Yu, Xu, & Zhu, 2017) proposes to modify the Hosmer-Lemeshow Test methodfor large data which can minimize problems with test power so that the test is more stable. We can see the results using the due diligence model of Hosmer and Lemeshow's Goodness of Fit Test.

Table 4.3: Hosmer and Lemeshow's Goodness of Fit Test Model Feasibility Test

H-L Statistic	4.8025	Prob. Chi-Sq(8)	0.7785
Andrews Statistic	4.9040	Prob. Chi-Sq(10)	0.8975

The test results for the probability value of Hosmer and Lemeshow's Goodness of Fit test is 0.7785 where this value is more than 0.05 (α = 5%), meaning that the model is able to predict the observed value or it can be said that the model canbe accepted because of the compatibility of these values.

Overall Model Test Overall Model Fit Test

Overall fit model is used to determine whether all independent variables affect the dependent variable. The statistics used are based on the Likelihood function.Likelihood L is the probability that the hypothesized model describes the input data (Ghozali, 2018: 332). So it can be seen in the following table:

Table 4.4: Overall Model Test Overall Model Fit Test

McFadden R-squared	0.064488	Mean dependent var	0.450292
S.D. dependent var	0.498984	S.E. of regression	0.483880
Akaik e infocriterion	1.334417	Sum squaredresid	39.10142
Schwarzcriterion	1.407906	Log likelihood	- 110.0927
Hanna n- Quinncriter.	1.364236	Deviance	220.1854
Restr.Deviance	235.365	Restr.loglikelihood	- 117.6817
LRstatistic	15.17813	Avg.loglikelihood	-0.643817
Prob (LRstatistic)	0.001671		

To test the null and alternative hypotheses, L is transformed into -2log likelihood.Testing is done by comparing the initial -2LL value with -2LL in the next step. Ifthe value of -2LL block number = 0 is greater than the value of -2LL block number = 1. Then the decrease (-2LogL) indicates that the regression model is better (Ghozali, 2018). We can see these results. LR Statistics or what is called -2LL initially has a value of 15.17813 while the value of Prob(LR Statistics or -2LL in the next step is worth 0.001671. So it can be said that the regression model is defined better.

Multicollinearity Test

Testing can be done by looking at the Tolerance and Variance Inflation Factor (VIF) values in the regression model. The decision-making criteria regarding themulticollinearity test are as follows (Ghozali, 2016):
If the VIF value is < 10 or the Tolerance value is > 0.01, it means that multicollinearity does not occur.
If the VIF value is > 10 or the Tolerance value is <0.01, multicollinearityis stated.
If the correlation coefficient of each independent variable is > 0.8, multicollinearity occurs. But if the correlation coefficient of each independent variable is <0.8 then multicollinearity does not occur.

Table 4.5: Multicollinearity Test

	Y	X1	X2	X3
Y	1.000000	-0.103198	0.214494	0.084742
X1	-0.103198	1.000000	0.023261	0.096061
X2	0.214494	0.023261	1.000000	-0.021202
X3	0.084742	0.096061	-0.021202	1.000000

Based on the table of multicollinearity test results, it can be concluded that thereare no symptoms of multicollinearity between the independent variables. This isbecause the correlation value between the independent variables is not more than0.9.

Logistic Regression Test Results

The following conditions exist in logistic regression, namely logistic regression does not require a linear relationship between the independent variables and the dependent variable and, the independent variables do not require the assumptionof multivariate normality. Then it can be seen in the following table:

Table 4.6: Logistic Regression Test Results

Coefficient covariance computed using observed Hessian

Variable	Coefficient	Std. Error	z-Statistic	Prob.
C	1.584643	1.292127	1.226384	0.2201
X1	- 0.000943	0.000608	-1.551185	0.1209
X2	0.015606	0.007240	2.155552	0.0311
X3	3.44E-09	4.46E-09	0.770887	0.4408

It can be seen from the probability value of Tax rate (X1) which is worth 0.1209,which means that the Tax Burden variable (X1) has no significant effect on the Transfer Pricing variable (Y) because the result is > 0.05 with a negative direction, then the Tunneling Incentive probability value (X2) which has a value of 0.0311 which can be interpreted that the Tunneling Incentive variable (X2) hasa significant effect on the Transfer Pricing Variable (Y) because the result is <0.05 in a positive direction, and then the Bonus Mechanism variable (X3) with a probability value of 0.4408 is declared to have no effect significant to the Transfer Pricing (Y) variable because the result is > 0.05 with a positive direction. This study uses a categorical dependent variable, so the logistic regression equation that is formed is:

Pi = expexp Y = $\underline{e^{y}1+\exp Y \quad 1+e^{y}}$

pi 0,831921

Li = Log ^{0,831921} = $\dfrac{1.584643+(-0.000943)+0.015606+3.44E\text{-}09}{1-0,831921}$

Li = $\dfrac{0,694569}{1.59930600344}$

= 0,434294

Hypothesis Test ResultsT test

The partial test or t test is used to prove the effect of the independent variables and the dependent variable on each variable. Where are the variables of this studynamely, Current Ratio, Return On Assets, Debt to Equity Ratio, Lagged Dividend, and Company Size. While the dependent variable in this study is the Dividend Payout Ratio.

This t test can be done by comparing the calculated t value with t table. If the probability level of the t-statistic > 0.05 then H0 is accepted and Ha is rejected. And if the probability level of the t-statistic is <0.05 then H0 is rejected and Ha is accepted.

Table 4.7: Hypothesis Test ResultsT test

Dependent Variable: Y
Method: ML - Binary Logit (Newton-Raphson / Marquardt steps)
Date: 04/11/23 Time: 12:27
Sample: 2019 2021
Included observations: 171
Convergence achieved after 26 iterations
Coefficient covariance computed using observed Hessian

Variable	Coefficient	Std. Error	z-Statistic	Prob.
C	1.584643	1.292127	1.226384	0.2201
X1	0.000943	0.000608	-1.551185	0.1209
X2	0.015606	0.007240	2.155552	0.0311
X3	3.44E-09	4.46E-09	0.770887	0.4408

Based on table 4.7 above, several discussions can be drawn from the results ofthe t test as follows.

Effect of Tax Burden on Transfer Pricing

Based on the test results, the Tax rate variable has a coefficient value of 0.002650, a t-statistic value of 0.061727 with a probability value of 0.9508. This shows a significant value that is greater than 0.05, which means that H0 is accepted and Ha is rejected, so that the tax burden has no significanteffect on transfer pricing.

The Effect of Tunneling Incentives on Transfer Pricing

Based on the test results, the Tunneling Incentive variable has a coefficient value of 0.012562, a t-statistic value of 2.053177 with a probability value of 0.0401. This shows a significant value that is less than 0.05, which means that H0 is rejected and Ha is accepted, so that the Tunneling Incentive has a significant effect on Transfer Pricing.

Effect of Bonus Mechanism on Transfer Pricing

Based on the test results, the Bonus Mechanism variable has a coefficient value of 2.40E-09, a t-statistic value of 0.570277 with a probability value of 0.5685. This shows a significant value that is greater than 0.05, which means that H0 is accepted and Ha is rejected, so that the Bonus Mechanismhas no significant effect on Transfer Pricing.

Determination

The coefficient of determination (R2) is used to measure the ability of the independent variable Tax Burden, Tunneling Incentives and Bonus Mechanisms to explain the dependent variable, namely Transfer Pricing. The value of the coefficient of determination is zero or one. The value of R2 which is close to 1 means that the independent variables provide almost all the information needed to predict the dependent variable. We can see these results in the following table:

Table 4.8: Determination

McFadden R-squared	0.064488	Mean dependentvar	0.450292
S.D.dependent var	0.498984	S.E. ofregression	0.483880
Akaik e infocriterion	1.334417	Sum squaredresid	39.10142
Schwarzcriterion	1.407906	Log likelihood	- 110.0927
Hanna n-Quinnriter.	1.364236	Deviance	220.1854
Restr. deviance	235.3635	Restr. log likelihood	- 117.6817
LR statistic	15.17813	Avg.log likelihood	0.643817
Prob (LR statistic)	0.001671		

So it can be said that the results are seen in McFadden R-squared with a value of0.041498 meaning that the independent variable has an influence of 0.04% whilethe remaining 99.6% is influenced by other variables not included in the model.

DISCUSSION

Effect of Tax Burden on Transfer Pricing in Companies manufacturing sector Consumer Cyclicals on the Indonesia Stock Exchange Period 2019-2021

The results obtained in this study are described in table 4.9 which shows that theTax rate variable has no significant effect on Transfer Pricing, this is in accordance with the regression coefficient value of -0.000943 and the probability value of 0.1209 which is greater than 0.05 so that it rejects H1 with the direction of a positive relationship. negative. The results of this study support the results of previous research by Paramitha (2021), which shows that the tax burden does not affect a company's decision to carry out transfer pricing.

It is said to be inappropriate, because based on the results of research conducted by researchers, it shows that companies that minimize the tax burden do not always carry out transfer pricing. As for other things, the company does not makea reference to the tax burden as a consideration in carrying out transfer pricing because in the annual financial reports Indonesian companies tend to dominate some of the company's operating activities related to funding in one foreign currency, namely dollars. This has caused several companies to suffer exchange rate losses due to the appreciation of the dollar against the rupiah, because someof the activities of multinational companies are influenced by the dollar. Other things that must be considered, among others, are affiliation (associated enterprises) or special relations and the fairness and prevalence of business (arm'slength principle) regulated in the Income Tax Law. However, there is research that shows the results of the tax burden have an effect on transfer pricing decisions by Nainggolan's research (2022).

The Effect of Tunneling Incentives on Transfer Pricing in Companies manufacturing sector Consumer Cyclicals on the Indonesia Stock Exchange Period 2019-2021

The results obtained in this study are described in table 4.9 which shows that theTunneling Incentive variable has a significant effect on Transfer Pricing in a positive direction, this is consistent with the regression coefficient value of 0.015606 and a probability value of 0.0311 which is smaller than 0.05 so that it accepts H2 . The results of this study support the results of previous research by Paramitha in (2021) and (Ekonomi et al., 2018) which observed that the Tunneling Incentive positively influences the decision to carry out Transfer Pricing.

So it can be interpreted that Tunneling Incentive has a significant effect on Transfer pricing decisions with a positive direction for investors and shareholders in Consumer Cyclicals manufacturing companies listed on the Indonesia Stock Exchange. The position of the Tunneling Incentive in the company is one of the important components that must be considered before making a decision on transfer pricing.

Based on the results of this study, it shows that the larger the shares owned by controlling shareholders, the greater the opportunity for a company to carry out transfer pricing. This is because if a subsidiary company makes a purchase to theparent company using a price that is not in accordance with the fair price (more expensive), then this will automatically provide benefits for the parent company, especially for the controlling shareholders.

Because it is greater in highly concentrated ownership structures than in low concentrated ownership structures. In addition, majority shareholders have the power to influence management in decisions that only maximize the interests of the majority share. This can also have an impact on the Consumer Cyclicals sector where it is heavily influenced by economic conditions in a particular year. However, there is research showing that the results of the Tunneling Incentive have no effect on transfer pricing decisions by Melani (2016).

Effect of the Bonus Mechanism on Transfer Pricing in Manufacturing Companies in the Consumer Cyclicals sector on the Indonesia Stock Exchange for the 2019-2021 Period

The results obtained in this study are described in table 4.9 which shows that theBonus Mechanism variable has no significant effect on Transfer Pricing, this is in accordance with the regression coefficient value of 2.40E-09 and the probability value of 0.5685 which is greater than 0.05 so that rejecting H3 with the direction positive. The results of this study support previous research on the effect of the bonus mechanism on Transfer Pricing by Setyaningrum (2020), Hermawan (2018), Nuradila and Wibowo (2018) which resulted that the bonus mechanism has no effect on transfer pricing.Opinions regarding companies carrying out transfer pricing by giving bonuses todirectors so that the profits obtained are greater so that they can be used to pay.

CONCLUSIONS

This study aims to determine the effect of Tax Burden, Tunneling Incentives, Bonus Mechanisms on Transfer Pricing Decisions in manufacturing companies listed on the Indonesia Stock Exchange (IDX) for the 2019-2021 period. The following is the conclusion of the results of hypothesis testing to answer the formulation of the problem raised in CHAPTER I

Tax rate do not have a significant effect on Transfer Pricing in a negative direction for manufacturing companies in the Consumer Cyclicals sector which are listed on the Indonesia Stock Exchange (IDX) for the 2019-2021period.

Tunneling Incentives have a significant influence on Transfer Pricing in a positive direction for manufacturing companies in the Consumer Cyclicalssector listed on the Indonesia Stock Exchange (IDX) for the 2019-2021 period.

The Bonus Mechanism does not have a significant effect on Transfer Pricing in a positive direction for manufacturing companies in the Consumer Cyclicals sector listed on the Indonesia Stock Exchange (IDX) for the 2019-2021 period.

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THE EFFECT OF GOOD CORPORATE GOVERNANCE, LEVERAGE AND PROFITABILITY ON TAX AVOIDANCE

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ABSTRACT

I*ndividuals and businesses engage in tax avoidance, also known as aggressive tax planning, toreduce or avoid tax payments by exploiting loopholes or deficiencies in the existing tax system.Tax avoidance is permissible. To reduce tax liability, however, certain aggressive practices may exploit legal exemptions or questionable forms of conduct. A company's strategic decision-making may be affected by its implementation of good corporate governance which can ensure that agents adhere to tax regulations, including averting aggressive tax planning. This study intends to investigate the relationship between sound corporate governance, leverage, profitability, and tax avoidance. The focus of this study is food and beverage subsector manufacturers listed on the Indonesia Stock Exchange between 2019 until 2021. Thesecondary data used in this analysis where purposive sampling was used to collect the data. The sample size for this study was eleven food and beverage subsector manufacturers with a three-year observation period from 2019 to 2021. Multiple linear regression analysis is used totest all hypotheses. The findings of this study indicate that good corporate governance, as exemplified by the board of commissioners, and institutional ownership have a significant positive influence on tax avoidance, whereas managerial ownership has no such effect. Additionally, leverage and profitability have a substantial positive impact on tax avoidance.*
Keywords: *tax avoidance, good corporate governance, leverage, profitability*

INTRODUCTION

Individuals and businesses engage in tax avoidance, also known as aggressive tax planning, to reduce or avoid paying taxes by exploiting loopholes or deficiencies in the existing tax system (Lathifa, 2019). Tax avoidance is allowed. However, to reduce tax liability, certain aggressive practices may exploit legal exceptions or other forms of questionable behavior. Corporate strategic decision-making can be influenced by the implementation of good corporate governance, which can ensure that agents comply with tax regulations, including preventing aggressive tax planning (Syuhada et al, 2019).

The implementation of good corporate governance requires the existence of institutional ownership, managerial ownership, and an independent board of commissioners. In addition, corporate tax avoidance can be affected by financial ratios such as leverage and profitability. The basis for the author's consideration of choosing the title is due to inconsistent findings from previous studies on tax avoidance on a number of variables, including Good Corporate Governance, Leverage, and Profitability. As in the research conducted by Marfirah dan Syam (2016), leverage has a negative effect on tax avoidance, but research Wastam (2017) proves that leverage has no effect on tax avoidance. And research Deddy D. (2017) proves that leverage has a negative effect on tax avoidance.

Based on references from previous research, the hypothesis proposed in this study is as follows: **H_1 : The Board of Independent Commissioners has a negative effect on Tax Avoidance. H_2 : Managerial Ownership has a negative effect on Tax Avoidance. H_3 : Institutional Ownership has a positive effect on Tax Avoidance. H_4 : Leverage has a positive effect on Tax Avoidance. H_5 : Profitability has a positive effect on Tax Avoidance. With the implementation ofthis research**, it aims to:
Knowing the effect of Good Corporate Governance on Tax Avoidance.
Knowing the effect of Leverage on Tax Avoidance.
Knowing the effect of Profitability on Tax Avoidance.

CONCEPTUAL FRAMEWORK FOR THOUGHT

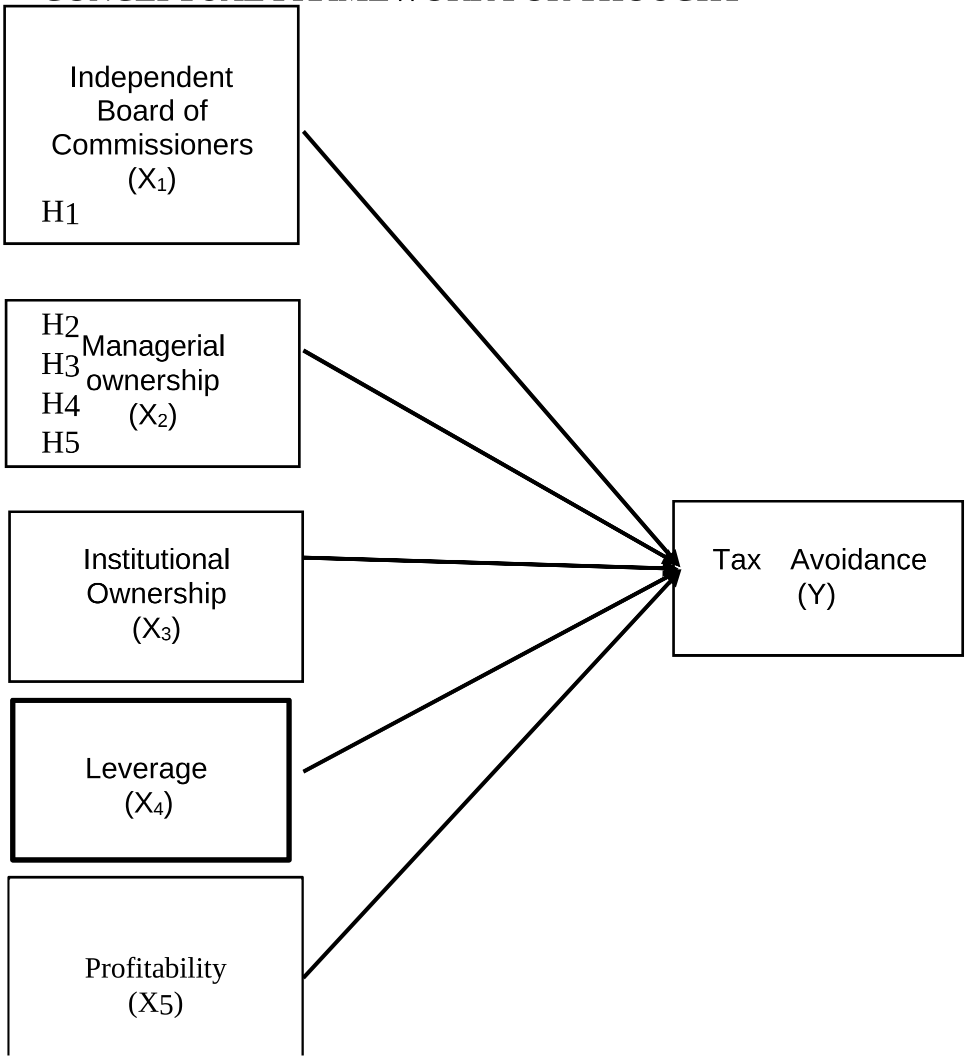

Figure 1. Conceptual Thinking Framework

RESULTS AND DISCUSSION

The focus of this study is food and beverage subsector manufacturers listed on the Indonesia Stock Exchange period 2019-2021. The secondary data used in this analysis where purposive sampling was used to collect the data. The sample size for this study was twenty food and beverage subsector manufacturers with a three-year observation period from 2019-2021. Multiple linear regression analysis is used to test all hypotheses. Of the twenty companies, there are nine included in the outlier data. So there are 33 data used as samples.

The classic assumption test in this study is as follows:

Table 1. Classic Assumption Test

Test	Result	Conclusion
Test of Normality	Sig: 0,200>0,05	Normally
Test of Multicollinearity: BOARD OF COMMISSIONERS MANAGERIAL OWNERSHIP INSTITUTIONAL OWNERSHIP DER ROA	Tolerance: 0,685 VIF: 1,461 Tolerance: 0,913 VIF: 1,095 Tolerance: 0,736 VIF: 1,359 Tolerance: 0,958 VIF: 1,044 Tolerance: 0,870 VIF: 1,150	There is no multicollinearity
Test of Heteroscedasticity	Figure 2. Scatterplots	There is no heteroscedasticity
Test of Autocorrelation	Durbin-Watson: 1,525	There is no autocorrelation

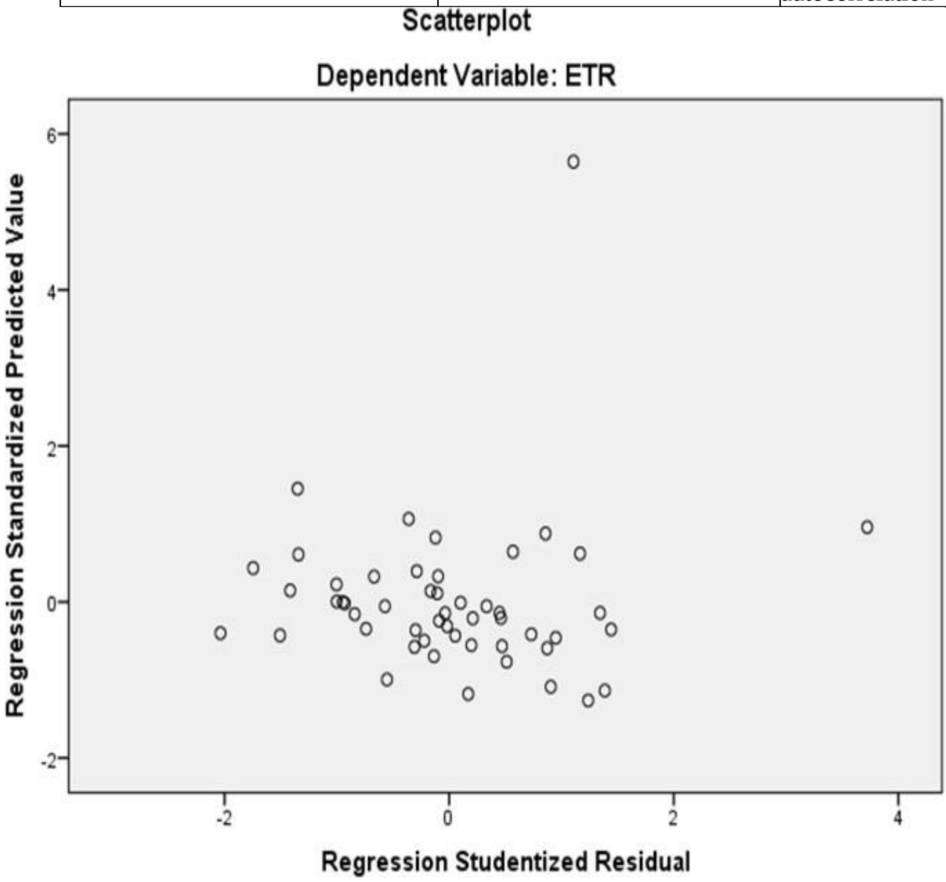

Figure 2. Scatterplots

The results of hypothesis testing can be seen in the following table:

Table 2. Hypothesis Test

Model	B	t	Sig.	Information
(Constan)	-2,031	-22,151	,000	
BOARD OF COMMISSIONERS	,172	2,955	,005	Influentialpositive
MANAGERIAL OWNERSHIP	,009	1,504	,139	No effect
INSTITUTIONAL OWNERSHIP	,124	3,125	,003	Influentialpositive
DER	,034	2,019	,049	Influentialpositive
ROA	-,146	-12,148	,000	Influentialnegative
Test of Determination Coefficient				0,778

Based on the table above the results of the regression model presented, the multiple linear regression equation is obtained as follows:

TAV = -2,031 + 0,172 DEK + 0,009 KEM + 0,124 KEI + 0,034 DER – 0,146 ROA + *e*

Based on the test results of the analysis of the coefficient of determination, it shows that the Adjusted R Square value is 0.778. These results indicate that the independent variables studied have an effect of 77.8% on tax avoidance, and the remaining 22.2% is influenced by other variables not used in this study.

DISCUSSION

The Effect of Good Corporate Governance on Tax Avoidance

The results of the test show that the coefficient of Good Corporate Governance in the Board of Commissioners model is 0.172, which is positive, while the sig value is 0.000<0.05. This means that the good Corporate Governance variable in the Board of Commissioners model has an effect on Tax avoidance. In the Managerial Ownership model, the value is 0.009, which is positive, while the sig value is 0.139>0.05. This means that the good Corporate Governance variable in the Managerial Ownership model has no effect on Tax Avoidance. And finally, in the Institutional Ownership model, 0.124 is positive, while the sig value is 0.003<0.05.

Effect of Leverage on Tax Avoidance

The hypothesis in this study is to test whether the leverage variable affects tax avoidance. The results of the test show that the coefficient of leverage is 0.034, which is positive, while the sig value is 0.049<0.05. This means that the Leverage variable in the model has an effect on Tax avoidance.

Effect of Profitability on Tax Avoidance

The hypothesis in this study is to test whether the Profitability variable affects Tax Avoidance. The results of the test show that the profitability coefficient of -0.146 is negative, while the sig value is 0.000<0.05. This means that the profitability variable in the model influences tax avoidance.

CLOSING CONCLUSION

Good corporate governance, where the method of measuring variables with the board of commissioners and institutional ownership has a significant positive effect on tax avoidance, while managerial ownership has no effect ontax avoidance.

Leverage has a significant positive effect on tax avoidance.

Profitability has a significant negative effect on tax avoidance.

SUGGESTION

For further research to increase the number of company populations that canbe used as research samples.

It is suggested that further research can add other independent variables that may have an influence on tax avoidance. Besides that, can add proxies to good corporate governance.

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THE EFFECT OF CAPITAL INTENSITY AND INVENTORY INTENSITY ON TAX AGGRESSIVITY IN TEXTILE SUB-SECTORCOMPANIES LISTED ON THE IDX IN 2018-2020

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ABSTRACT

This study aims to determine the effect of Capital Intensity and Inventory Intensity on Tax Aggressiveness in Textile Sub Sector companies listed on the Indonesia Stock Exchange both simultaneously and partially. The population andsample in this study were 17 companies and 51 financial reports of Textile Sub- Sector companies listed on the Indonesia Stock Exchange for the 2018-2020 period. The data analysis technique in this study uses multiple linear regression analysis. The type of data used in this research is secondary data. The results showed that Capital Intensity affects Tax Aggressiveness in Textile Sub Sector companies listed on the Indonesia Stock Exchange with a beta coefficient (β) of 0.624. Inventory Intensity affects Tax Aggressiveness in Textile Sub Sector companies listed on the Indonesia Stock Exchange with a beta coefficient (β) of-0.252. The conclusion in this study is that Capital Intensity and Inventory Intensity have an effect on Tax Aggressiveness in Textile Sub Sector companies listed on the Indonesia Stock Exchange either simultaneously or partially.
Keywords: *Capital Intensity and Inventory Intensity and Tax Aggressiveness*

INTRODUCTION

Indonesia is a developing country that has the largest population in the world and has abundant natural resources. In addition, Indonesia is also a world trade traffic area because it is located in strategic geographical conditions (Indrajati et al, 2017). This is a special attraction for entrepreneurs to establish companies in Indonesia, especially for entrepreneurs who come from abroad. With the increasing number of companies established in Indonesia, it will provide benefits for the Indonesian state because it can increase state revenues, especially those that come from the tax sector.

From the company's point of view, as one of the taxpayers, tax is considered a burden that can reduce the profits earned by the company. This causes companies to try to minimize the tax burden that should be paid. Actions taken by companies to minimize their tax burden are known as tax planning or tax aggressiveness. Taxes are state revenues from coercive collection of taxpayers according to law (www.pajak.go.id). With income earned through taxes, the state can increase economic growth through infrastructure development for the benefit of society (Jusman and Nosita, 2020). This shows that by paying taxes it is not only the state that benefits but the public and business entities as taxpayers will also feel a positive impact from paying taxes. For example, by paying taxes, the company's credibility will be seen as better in the eyes of the public and also in the eyes of investors. It is undeniable that so far companies have been the main source of state tax revenue (Moeljono, 2020).

On the other hand, taxes are also interpreted as a burden that can reduce the net profit of business entities (Moeljono, 2020), consequently business entities must have a strategy to overcome this problem. One of the efforts made is to carry out tax aggressiveness or reduce the tax burden. There are many cases of tax aggressiveness in Indonesia. The behavior of taxpayers who carry out tax aggressive activities can cause state revenue from the taxation sector to be less than optimal.

There are several factors that can influence a company in carrying out tax aggressiveness, including capital intensity and inventory intensity. Capital intensity or capital intensity is a company's activities related to investment in the form of fixed assets (AT. T. Hidayat and Fitria, 2018). Capital intensity, which is a company's investment in fixed assets, is one of the assets used by companies to produce and earn profits (P. A. S. Lestari et al, 2019). Capital intensity is related to tax aggressiveness because companies that have a large number of fixed assets will have a lower tax burden. This is due to the depreciation expense arising from the ownership of these fixed assets which will reduce the company's tax burden. Meanwhile, companies that have a small number of fixed assets will have a larger tax burden (A. T. Hidayat and Fitria, 2018).

The next factor that can influence tax aggressiveness is inventory intensity. Inventory intensity is a measure of how much inventory the company has. Inventory owned by the company can result in the emergence of maintenance expenses and storage expenses. This burden will reduce the company's profits so that the tax burden that should be paid will also decrease (A. T. Hidayat and Fitria, 2018). If the company's profits decrease with the presence of high inventory intensity, the company will become more aggressive towards the level of its tax burden (Maulana, 2020).

LITERATURE REVIEW

The first research was conducted by Lisa Amanada et al (2021) with the title Effects of capital intensity, inventory intensity, and ownership concentration on tax aggressiveness in companies listed on the Indonesia Stock Exchange for the 2016-2020 period. The sampling technique in this study used a purposive sampling method, the number of samples obtained were 15 companies that met the sampling criteria so that 75 data samples were obtained. The data analysis technique used is Multiple Linear Regression with the SPSS 16 application. The results of this study indicate that capital intensity has a positive effect on tax aggressiveness, while inventory intensity and ownership concentration have no effect on tax aggressiveness in mining sector companies listed on the IDX in 2016 -2020.

Furthermore, research from Indriyani Pratama (2019) entitled Effects of Capital Intensity, Inventory Intensity, and Profitability on Tax Aggressiveness with the Independent Board of Commissioners as Variable (Moderating). The research method uses quantitative methods with secondary data. The selection of samples in this study used purposive sampling based on the criteria obtained by 24 sample companies which obtained 120 samples. The results of this study indicate that profitability has a positive effect on tax aggressiveness. capital intensity and inventory intensity partially have no significant effect on tax aggressiveness.

Then research from Efrinal et al (2020) entitled The Influence of Capital Intensity and Inventory Intensity on Tax Aggressiveness in mining companies listed on the Indonesia Stock Exchange (IDX) in 2015-2019. The number of samples in this study were 14 samples using purposive sampling method. The independent variables of this study are capital intensity and inventory intensity. The dependent variable of this study is tax aggressiveness as measured by the effective tax rate (ETR). The results show that capital intensity has a significant positive effect on tax aggressiveness. Meanwhile, inventory intensity has no significant effect on tax aggressiveness.

Relationship between Capital Intensity and Tax Aggressiveness

This is in accordance with the results of research from Widodo (2021) which states that environmental performance affects tax aggressiveness. The company uses its fixed assets for the company's operations, not solely to take advantage of the depreciation expense of fixed assets, in which the taxable depreciation expense of fixed assets is an expense that can be a deduction from taxable income, so that it can reduce the company's taxable income.

Capital intensity is associated with how much the company invests its assets in the form of fixed assets and inventories. The ratio (fixed asset intensity ratio) is based on the amount of the company's capital embedded in the form of fixed assets and inventories owned by the company. Ownership of fixed assets by the company will bring up the existence of depreciation costs every year which can be used to reduce tax payments. The depreciation expense will be used by managers to minimize the company's tax burden that should be. Management will invest in fixed assets by using the company's idle funds to gain profits in the form of depreciation expenses which are useful as a tax deduction.

The Relationship between Inventory Intensity and Tax Aggressiveness

Inventory intensity is a measure of how much inventory a company has. Inventory intensity provides an overview of the amount of inventory needed by a company to operate which is measured by comparing the total inventory with the total assets owned by the company (Yuliana and Wahyudi, 2018).

Based on agency theory, a company that invests in inventory will incur additional costs that are calculated as expenses such as production, labor and administrative costs. The effect of tax aggressiveness activities carried out by these companies can reduce state revenues in terms of the tax sector. Therefore inventory intensity affects the way companies fulfill their tax obligations.

This research refers to research conducted by Isnanto et al (2019) which proves that inventory intensity has a positive effect on tax aggressiveness. Companies that have high levels of inventory will incur a waste of costs. These costs include storage costs and maintenance costs. The costs resulting from high inventory levels will reduce profits, thereby reducing the tax burden.

CONCLUSION

Based on the results of the analysis of the test data that has been carried out on the problems that have been formulated in the research hypothesis, the following conclusions can be drawn:

Capital intensity and inventory intensity together have a positive effect on taxaggressiveness in textile sub-sector companies listed on the Indonesia Stock Exchange in 2018-2020.

Capital intensity partially has a positive effect on tax aggressiveness in TextileSub Sector Companies listed on the Indonesia Stock Exchange in 2018-2020.

Inventory intensity partially has a negative effect on tax aggressiveness in Textile Sub Sector Companies listed on the Indonesia Stock Exchange in 2018-2020.

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COMPARATIVE STUDY OF FINANCIAL PERFORMANCE OF SHARIA FOOD ANDBEVERAGE COMPANIES DURING THE COVID-19 PANDEMIC

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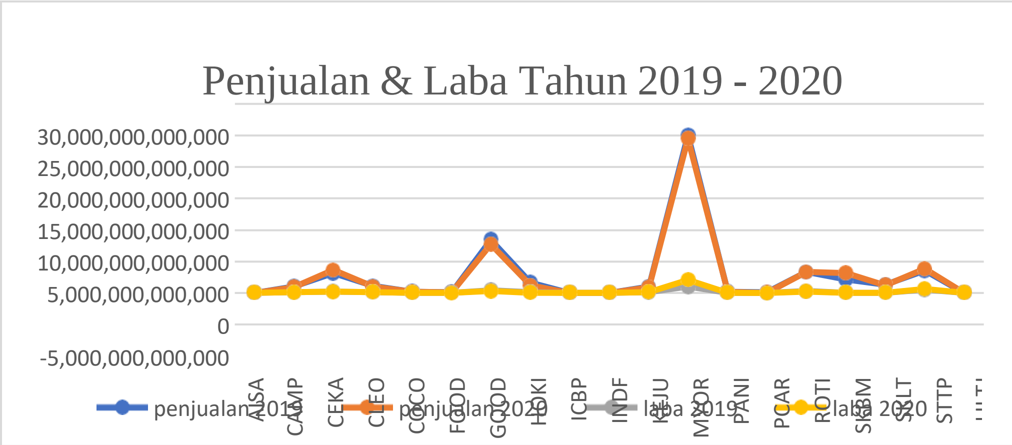
ABSTRACT

Covid-19 has heavily impacted the food and beverage industry. The virus outbreak has dealt a severe blow to many individuals, especially those in the food and beverage industry. This research focuses on Shariah Food and Beverage Companies. This study aims to determine whether there is a difference in the performance of companies before and after the Covid-19 pandemic in the Shariah Food and Beverage Companies, measured using Liquidity Ratio, Solvency Ratio, and Profitability Ratio. This research adopts a quantitative approach with a comparative descriptive design. The population for this research consists of Shariah food and beverage companies listed on the Indonesia Stock Exchange during 2019 and 2022. The purposive sampling technique is used to select a sample of 10 companies based on predetermined criteria. The variables used are Current Ratio (CR), Quick Ratio (QR), Debt-to-Asset Ratio (DAR), Debt-to-Equity Ratio (DER), Return on Assets (ROA), and Return on Equity (ROE). The research findings indicate no significant difference before and after the Covid-19 pandemic in Shariah food and beverage companies listed on the Indonesia Stock Exchange. Limitations and suggestions for research have been given by the author at the end of the paper.
Keywords: *Pandemic, Covid-19, Financial Performance, Financial Ratios*

INTRODUCTION

The World Health Organization (WHO) in China declared COVID-19 (*Coronavirus disease 2019*) a public health emergency, which posed a risk to countries vulnerable to the virus. This declaration was made on January 30, 2020. COVID-19 entered Indonesia in early March 2020, with two confirmed cases. Mantiri & Tulung, 2022, says the Food and Beverage industry was the most affected by COVID-19. The spread of COVID-19 dealt a heavy blow to many people, especially those involved in the food and beverage industry. The Indonesian Food and Beverage Entrepreneurs Association (Gapmmi@cbn.net.id, 2020) predicted that the industry would only grow by 4%-5% amidst the pandemic. People prioritized purchasing necessities such as groceries, while various types of food and beverages faced low demand or a decline in sales. Government recommendations to stay at home and the ban on dining in restaurants significantly affected the Food and Beverage industry. The decrease in income was strongly felt and harmed business sustainability. A decrease in a company's revenue can affect its financial performance. According to Fahmi (2017), financial performance analysis is conducted to assess how well a company has implemented financial regulations. Financial performance reports are important documents for a company, as they indicate the company's financial position in terms of fund collection and allocation. If a company's performance is good, its business value will be high. A high business value attracts investors to invest in the company, leading to an increase in stock prices. Particularly during the pandemic, investors are more cautious in investing their capital, and financial performance becomes a primary benchmark.

This was revealed in a study by Prasetya (2021) on pharmaceutical companies listed on the Indonesia Stock Exchange during the COVID-19 pandemic, which showed both an increase and a decrease in the financial performance of the sampled companies in the tested variables.



Source : idx.co.id

Figure 1. Sales and Profit of Shariah Food and Beverage Companies in 2019-2020

Figure 1 shows the sales and profit for the years 2019 and 2020, with the graph points evenly distributed. The sales for 2019 are depicted in blue, while the sales for 2020 are depicted in red. Similarly, the profit for 2019 is represented in green, and the profit for 2020 is represented in purple. From the image above, it can be observed that MYOR holds the highest sales at 25 trillion, followed by GOOD with 15 trillion, and CEKA ROTI SKBM and STTP with 5 trillion, while the profit graph points for the 19 food and beverage companies are evenly distributed. It can be concluded that the sales graph points are higher compared to the profit graph points.

Many researchers have focused on conventional food and beverage companies, as previous studies rarely utilized Shariah-compliant food and beverage companies, especially during the COVID-19 pandemic. Therefore, this study aims to focus on Shariah-compliant food and beverage companies to understand the differences in company performance before and after the COVID-19 pandemic. This will be measured using liquidity ratios, solvency ratios, and profitability ratios.

Theoreticals Frameworks and Hypothesiss Development

Kasmir (2017) explains that the Liquidity Ratio measures a company's ability to meet its short-term obligations on time. A study by Riduan et al. (2020) states that from the three tested and analyzed ratios, namely NWCA Ratio, Current Ratio, and Quick Ratio, it can be concluded that there is a decrease in liquidity due to the negative impact of COVID-19. This is indicated by the declining ratios in 2020 (during the COVID-19 pandemic) compared to 2019 (before the COVID-19 pandemic).

Solvency Ratio measures the extent to which a company is financed by debt, Oliver (2020). A study by Wijayantini et all (2019) explains that The higher the value of Debt-to-Equity Ratio (DER) or the company's financing obligations, the higher the company's ability to pay dividends. However, in essence, a higher debt level indicates symptoms of or a less healthy financial condition for the company's financing

Raharjaputra (2011) states that Profitability Ratio measures the overall effectiveness of management in terms of the level of profit obtained concerning sales and investments. A study by Esomar and Christianty (2021) states that the average return on equity (ROE) ratio before the COVID-19 pandemic had a value of 10.63, while after the pandemic, the average ratio decreased by 19.1. This indicates a significant decline in the ability of hotel, restaurant, and tourism companies to generate profits using their capital. This decrease is attributed to a decline in earnings and losses during the COVID-19 pandemic.

Therefore, the hypothesis in this study is:

Ho: There is a difference in Liquidity Ratio, Solvency Ratio, and Profitability Ratio before and after the COVID-19 pandemic.

METHOD

The population in this study consists of Shariah-compliant Food and Beverage companies listed on the Indonesia Stock Exchange (BEI). The data collected forthese liquidity ratios were analyzed and compared to identify any significant differences between the pre-pandemic and post-pandemic periods. Statistical methods, such as the Paired Sample T-Test, may have been used to determine thestatistical significance of the observed changes.

The findings of the study would provide insights into the impact of the COVID-19 pandemic on the liquidity position of Shariah-compliant Food and Beverage companies. These insights could help businesses and stakeholders assess the financial health and resilience of the companies during and after the pandemic.

The following are the companies that meet the criteria and will be included as samples:

Table 2. Samples

No.	Name	Kode
1.	Campina Ice Cream Industry Tbk.	CAMP
2.	Wilmar Cahaya Indonesia Tbk.	CEKA
3.	Sariguna Primatirta Tbk.	CLEO
4.	Indofood CBP Sukses Makmur Tbk.	ICBP
5.	Indofood Sukses Makmur Tbk.	INDF
6.	Mayora Indah Tbk.	MYOR
7.	Pratama Abadi Nusa Industri Tbk.	PANI
8.	Sekar Laut Tbk.	SKLT
9.	Siantar Top Tbk.	STTP
10.	Ultra Jaya Milk Industry & TradingCompany Tbk.	ULTJ

Sources : BEI

Results of Data Analysis :

Table 3. The Paired Sample T-Test

No	The statemen	Corelation	Significant
1	*Current Ratio*	0,921 > 0,000	0,096 > 0,05
2	*Quick Ratio*	0,880 > 0,000	0,105 > 0,05
3	*Debt to Asset Ratio*	0,563 > 0,001	0,612 > 0,05
4	*Debt to Equity Ratio*	0,305 > 0,101	0,383 > 0,05
5	*Return on Asset*	0,369 > 0,045	0,056 > 0,05
6	*Return on Equity*	0,577 > 0,001	0,626 > 0,05

Source : analized data

Differences in Liquidity Ratios Before and After the COVID-19 Pandemic

Based on the data processing and analysis conducted, the results show that there is no significant difference in Liquidity Ratios before and during the COVID-19 pandemic. This is evidenced by the p-values of 0.096 > 0.05 for the current ratio and 0.105 > 0.05 for the quick ratio. These results indicate that there were no significant changes in Liquidity Ratios. The current ratio for Food and Beverage companies remained relatively stable and the changes were not significant. This can be attributed to the fact that the pandemic was still in its early stages, and companies had relatively good assets and sufficient current assets to cover their short-term liabilities.

Similarly, the quick ratio, which includes highly liquid assets that can be quickly converted into cash within a relatively short period, such as three months or 90 days, did not show significant changes. The increase in each company's quick ratio was less than 15%. Sectors that experienced an increase during the COVID-19 pandemic demonstrated effective utilization of their current assets to cover short-term liabilities. Companies that did not experience significant changes before and after the pandemic may have continued their sales on credit, resulting in an increase in accounts receivable and total current assets. Consequently, these companies were able to meet their short-term liabilities during the pandemic. However, it should be noted that the current ratio alone is not the sole determinant of a company's financial health. According to Wijayantini and Sari, 2017 High current ratios may indicate that a company has excess idle cash, which is not being used for investments or business development. Therefore, the current ratio should be analyzed in conjunction with other financial indicators to assess a company's investment potential and development prospects.

As for the quick ratio, a minimum value of 1 or 1:1 is generally considered good, as it indicates that current assets are sufficient to cover current liabilities, allowing for the rotation and allocation of remaining inventory for business operations. Ratios above 1 are favorable, as they indicate the availability of surplus funds after meeting short-term obligations. However, ratios exceeding 2 may not necessarily indicate good financial performance and could suggest poor allocation of funds, rendering them unproductive for the company.

In a study conducted by Daryanto and Mahardhika (2021), it was found thatthere were differences in Cash Ratios among food and beverage sector companies during the COVID-19 pandemic. Companies experienced an increase in Cash Ratios due to the accumulation of inventory resulting from reduced purchasing power. This indicates that the pandemic had a significant impact on the companies listed on the Indonesian Stock Exchange (BEI) when measured by the Cash Ratio. Overall, the findings suggest that while there were no significant changes in Liquidity Ratios before and during the COVID-19 pandemic for Shariah-compliant Food and Beverage companies, the impact of the pandemic varied across sectors, with some experiencing increased liquidity and others maintaining stable ratios.

Differences in Solvency Ratios Before and After the COVID-19 Pandemic

Based on the data analysis, it was found that there is no significant difference in Solvency Ratios before and during the COVID-19 pandemic. This is supported by the p-values of 0.612 > 0.05 for Debt to Asset Ratio and 0.383 > 0.05 for Debt to Equity Ratio. These results indicate that there were no significant changes in Solvency Ratios. Although the Debt to Asset Ratio showed a slight increase for Food and Beverage companies, the increase was not substantial enough to have a statistically significant impact. The Debt to Asset Ratio reflects the concern that these companies may face difficulties in meeting their liabilities using their existing assets. However, the increase in the ratio was not significant enough to have a major impact. The average Debt to Equity Ratio before the COVID-19 pandemic was considered good as it exceeded 70%. There was no significant difference in the financial performance based on the Debt to Equity Ratio after the pandemic. The increase in total debt was primarily due to increased debt to third-party consultants and other services, fixed assets and engineering goods, dividend payments to public shareholders, and other liabilities.

The COVID-19 pandemic led to an increase in the Debt to Equity Ratio forseveral sectors, indicating that these companies had a higher level of debt compared to their equity. This situation can be detrimental to companies as their capital is financed by debt, and there is concern about their ability to repay the debt to creditors. On the other hand, the mining sector experienced a decrease in the Debt to Equity Ratio as their debt was lower than their equity. This indicates a favorable situation for companies as they did not rely heavily on debt to finance their required capital. A low Debt to Equity Ratio signifies a healthy financial condition for a company. The sectors most affected by the COVID-19 pandemic were the consumer goods industry. The Debt to Asset Ratio is used to assess a company's ability to repay its debts and is primarily used by creditors when considering providing loans to a company. From an investor's perspective, this ratio can be used to evaluate a company's performance and make investment decisions. While this ratio may not be crucial for investors, it is significant for creditors considering extending credit to the company. A higher Debt to Asset Ratio indicates a higher risk of the company being unable to repay its debts. With a higher ratio, creditors become more cautious when approving credit applications from a company.

The Debt to Equity Ratio is an important indicator to assess a company's financial health and its level of financial independence regarding debt. Lenders and investors typically prefer companies with lower Debt to Equity Ratios. A lower ratio implies a smaller debt obligation for the company, which can be advantageous for investors providing loans. Conversely, a higher Debt to Equity Ratio indicates a higher amount of debt or obligations that the company needs to repay, both in the short and long term. This means that the company relies more on debt financing rather than its own earnings. This situation can be risky and requires careful monitoring as the company needs to repay the debt within a specified timeframe. However, it should be noted that the Debt to Equity Ratio is not a suitable indicator for financial institutions. As mentioned earlier, the Debt to Equity Ratio is closely related to the company's burden and equity and its calculation depends on financial statements. (Maisyaroh et all (2016).

This study aligns with the findings of Ardi (2022), which revealed a decrease in the Debt to Equity Ratio for Food and Beverage companies before and during the COVID-19 pandemic. This suggests that the majority of Food and Beverage companies were able to withstand the pandemic as they maintained their Debt to Equity Ratio during this period. In fact, the Debt to Equity Ratio during the pandemic was even lower compared to the pre-pandemic period. Overall, Food and Beverage companies demonstrated improved financial performance.

Differences in Profitability Ratios Before and After the COVID-19 Pandemic

There is no significant difference in Profitability Ratios before and during the Covid-19 pandemic. This is evidenced by the two-tailed p-values of 0.056 > 0.05 for Return on Assets (ROA) and 0.626 > 0.05 for Return on Equity (ROE). This means that there is no significant change in Profitability Ratios. The decreasein ROA is due to the decline in the total value of assets, which is larger comparedto the company's profits. The decrease in total assets is caused by the depreciationof machinery, equipment, and buildings. After the Covid-19 pandemic, thedecrease in the company's profits is due to increased marketing and sales expenses, as well as increased general and administrative expenses. Food and Beverage companies have a lower return on equity during the pandemic because the Covid-19 pandemic has limited the equity's contribution to generating net profit compared to the pre-pandemic period. The return on equity during the pandemic is lower than before the pandemic because the net profit generated perunit of invested capital has increased. The increase in assets during the Covid-19 pandemic indicates positive developments for the company, accompanied by an increase in operating income and company revenue, leading to the achievement of the cooperative's goal of improving the welfare of its members.

The Covid-19 pandemic has resulted in a majority of companies experiencing a decrease in Return on Investment (ROI), indicating a decrease in profits. This is because companies have not been able to optimize their asset management to generate profits during the Covid-19 pandemic. The decrease in consumer purchasing power has also contributed to the decline in profits during the pandemic. The sectors most affected by the Covid-19 pandemic are the infrastructure, utilities, and transportation sectors. The transportation sector has experienced a decline during the pandemic due to lockdown measures, route redirections, and operational hour limitations in major cities, resulting in long waiting times and queues. As a result, people have chosen to use private vehicles for long-distance travel. This has impacted transportation companies as their assets (vehicles) are not operational, leading to a decrease in profits. On the other hand, the food industry has continued to operate as food is a basic necessity that needs to be fulfilled every day. The food industry continues to operate during the pandemic to meet consumer demand.(Kurnia, 2022).

ROA evaluates a company's ability to utilize past earnings to generate future returns. In this case, assets refer to all of the company's resources obtained from both equity and external sources, which are converted into various assets to keep the company running. ROA is used to evaluate whether the top management has received appropriate rewards based on the assets they possess. This ratio is particularly useful for evaluating various business units within a multinational company. Often, companies focus too much on profit margins without properly calculating ROA. However, ROA helps predict the overall development and capabilities of a company. (Putri et all, 2022).

Return on Equity (ROE) measures the ability of a company to generate profit based on the shareholders' equity and is often used to compare different companies in terms of good investment opportunities and effective cost management. ROE is attractive to shareholders and potential shareholders, as well as management, as it is a significant indicator of shareholders' value creation. A higher ROE indicates a higher company value, making it an attractive option for investors to invest their capital. Return on Equity (ROE) is a simple analysis of how effectively a business owner uses their capital for business purposes. ROEdoes not involve debt in its formulation and analysis, so companies with high levels of debt are excluded from the investment analysis. Therefore, many investors do not use ROE as an indicator and instead prefer Return on Assets (ROA) as it demonstrates a company's efficiency in utilizing all assets, includingdebt. (Lestari et all, 2018)

CONCLUSION

Based on the data analysis and discussion provided, the following conclusions can be drawn:

There is no difference in Liquidity Ratios before and during the Covid-19 pandemic. This indicates that the majority of Shariah-compliant food and beverage companies listed on the stock exchange were able to pay their short-term debts by utilizing their current assets and without relying on inventory.

There is no difference in Solvency Ratios before and during the Covid-19 pandemic. This suggests that during the pandemic, most companies did not rely heavily on debt to finance their operations, which mitigated the risk for these companies.

There is no difference in Profitability Ratios before and during the Covid-19 pandemic. This indicates that during the pandemic, companies made maximum efforts to utilize their assets to generate profits. Additionally, most companies did not experience significant changes in sales compared to the previous year before the pandemic.

Therefore, based on the research findings, it can be concluded that the financial statements were not significantly affected by the Covid-19 pandemic. Companies should focus on increasing their current assets to ensure the coverage of short-term debts and avoid difficulties in debt payments. During the Covid-19 pandemic, companies should strive to maintain their good performance and find ways to market their products more effectively, thereby increasing profitability. The optimal utilization of resources, assets, and equity is crucial for improving overall company performance.

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ANALYSIS OF FACTORS INFLUENCING EARNINGSMANAGEMENT ON THE LQ-45 INDEX ON THE INDONESIAN STOCK EXCHANGE

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ABSTRACT

Earnings management is an act of profit manipulation carried out by company management with the aim of benefiting himself. Earnings management occurs when managers use their creativity in preparing financial statements and manage financial statement modification operations by giving a certain impression or influencing the actions of stakeholders who depend on the company's financial statements. This research was conducted to analyze the effect of firm size, KAP size, institutional ownership, managerial ownership and leverage on earnings management. This research is a quantitative research conducted with empirical studies in the form of hypothesis testing. The population in this study were all companies included in the LQ-45 index on the Indonesia Stock Exchange with the selection of samples using a purposive sampling method.
Keywords: *Earnings management, company size, KAP size, institutional ownership, managerial ownership, leverage.*

INTRODUC TION

In general, all parts of the financial statements are important and necessary parts in decision making. However, most users of financial statements are more focused on the profit information contained in the income statement without regard to the procedures used to generate profits or losses so that profit information is often the target of engineering through opportunistic actions of management to influence profit levels in order to attract potential candidates. investors.

One way for managers to influence the level of reported earnings is to do earnings management. Earnings management is management's intervention in the financial reporting process with the aim of benefiting itself. These self- interested actions are carried out by choosing certain accounting policies, so that profits can be regulated, increased or decreased as desired(Almadara, 2017). So it can be concluded that earnings management is the skill of "manipulating" theavailable options and making the right choices to achieve the expected profit level.

LITERATURE REVIEW

Agency Theory

Agency theory (agency theory) focuses on agency problems that occur when there is a relationship between managers and owners of the company. This theory explains the relationship that occurs between owners and shareholders (principals) and managers (agents).Agency relationship cancausing several conflicts of interest and also resulting in information asymmetry, namely management is considered to have more information than shareholders(Indrastuti & Djojo, 2020)

Earnings management

According to(Wiryadi & Sebrina, 2013)Earnings management is an intervention by management intentionally in the process of determining earnings. Earnings management can be interpreted as a process carried out deliberately by company management within the limits of general accounting principles to produce a desired level of profit.

Company size

Company size is a tool used by investors to assess company assets and performance. Total assets reflect the size of the company, the higher the total assets of the company, the bigger the company.

Size of Public Accounting Firm

The size of a public accounting firm is one of the measuring tools to determine the audit quality that will be produced by an auditor. The larger the size of the public accounting firm is considered to have the expertise, experience and better reputation so that it can limit the occurrence of earnings management.

Institutional Ownership

According toNabela (2012)institutional ownership is the proportion of shares owned by institutions at the end of the year as measured by percentage. Institutional ownership is share ownership by other institutions, namely ownership by companies or other institutions.

Managerial ownership

Managerial ownership is the percentage of share ownership owned by management. Managerial ownership is the shareholder of management who actively participates in making company decisions (managers, directors and commissioners).

leverage

*leverage*is the ratio between total liabilities and total assets. The greater the leverage ratio, the higher the value of the company's debt.

RESULTS AND DISCUSSION

T test

Table 4.9 T Test (Partial)

Coefficientsa

Model	*Unstandardized Coefficients* B	std. Error	*Standardized Coefficients* Betas	t	Sig.
(Constant)	1,869	0.501		3,731	0.000
Company Size	-0.054	0.016	-0.490	-3,357	0.001
CAP size	0.118	0.045	0.311	2,616	0.011
Institutional Ownership	-0.126	0.057	-0.296	-2.199	0.032
Managerial ownership	0.157	0.336	0.053	0.467	0.642
leverage	-0.142	0.076	-0.245	-1,870	0.066

a. Dependent Variable: Earnings Management

Source: Data processed, 2023

Based on the table of T test results with a significance value of 0.05 indicates that company size, KAP size, has an influence on earnings management.

Meanwhile, institutional ownership and managerial ownership have no effect on earnings management.

DISCUSSION

The Effect of Company Size on Earnings Management

The results of this study indicate that firm size (X1) has a negative effect on earnings management. This means that the larger the size of the company or the total assets owned by the company, the level of earnings management will decrease or the less likely earnings management will occur. Large companies usually receive greater attention from external parties such as investors, creditors and the government. This makes the company to be careful in preparing the company's financial statements. The company will maintain the trust of external parties as much as possible so that the company's survival can be maintained and guaranteed properly.

This is in line with researchFull Moon (2017)which says that the variable Firm Size has a negative effect on Earnings Management. But contrary to research conducted byAstuti et al. (2017)Which stated that the size of the company had no effect on profit management.

The Effect of KAP Size on Earnings Management

KAP size has a positive influence on earnings management. This means that the larger the size of the KAP that audits the company's financial statements, the company will tend to do earnings management. This can happen because ofthe relationship that has been established between the KAP and the client company. It can be concluded that the longer the KAP Big Six relationship withthe client, the greater the Discretionary Accrual (earnings management) of the company.

This is in line with research conducted byFitiani (2018)which says that KAP size has a significant positive effect on earnings management. But contraryto research conducted byRahmawati & Muid (2012)which states that the reputation of the auditor has no effect on profit management.

Effect of Institutional Ownership on Earnings Management

Institutional Ownership has a negative influence on Earnings Management. This meansthe greater the institutional ownership, the less likely managers will manage earnings. Institutional ownership is considered capable of being a monitoring party for the company. Large institutional ownership causes institutional supervision to be tighter and decision making to be more flexible. Large institutional investor shares allow institutions to be flexible in making decisions and supervision of management becomes tight so that expectations of good management performance can be realized.

The results of this study are in line with researchFull Moon (2017)which states that there is a significant negative effect of institutional ownership on earnings management. But contrary to researchRahmawati (2017), which states that institutional ownership has no effect on profit management.

The Effect of Managerial Ownership on Earnings Management

Managerial Ownership has no effect on Earnings Management. This means that the size of the managerial ownership level owned by the company has no effect on earnings management. Earnings management can occur because of differences in interests between company owners and agents or management. Management usually behaves opportunistically or is concerned with their own interests in order to get bonuses or for the continuation of their position.This means that the low average managerial ownership has not been able to help uncover practices profit management.

This is in line with the results of previous research conducted byFebruary (2020)which states that there is no influence between managerial ownership on earnings management. But contrary to research(Full Moon, 2017)which states that managerial ownership has a significant negative effect on earnings management.

Effect of Leverage on Earnings Management

Leverage has no effect on Earnings Management. This is because companies that have a high level of leverage are companies that are unable to fulfill their obligations, while earnings management cannot be used as the only mechanism to avoid these obligations. however, the fulfillment of obligations must still be carried out and cannot be avoided by carrying out earnings management. The size of the company's leverage level has no effect on earnings management, because the companies sampled in this study have total assets that are greater than their debt so that leverage has no effect on earnings management.

This is in line with researchFull Moon (2017)which states that there is no influence of leverage on earnings management. But contrary to research conducted byAstuti et al. (2017)which states that leverage has a positive effect on earnings management.

CLOSING

Based on the research results, it can be concluded that the variable company size has a negative effect on earnings management, KAP size hasa very positive effect on earnings management,Institutional Ownership hasa negative effect on earnings management, managerial ownership has no effect on earnings management, Leverage has no effect on earnings management. Company size, KAP size, institutional ownership, managerial ownership and leverage simultaneously affect earnings management on the LQ45 company index on the Indonesia Stock Exchange for the 2019-2021 period.

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