Building Contracts PSAK NO.34, Registered Manufacture Indonesia Stock Exchange (BEI)

Liahmad¹, Sabarudin Akhmad²

¹ Accounting Department, University of Bahaudin Mudhary Madura, Indonesia
² Industrial Engineering Department, University of Trunojoyo Madura, Indonesia

Abstract. The purpose of this study is to analyze and review the differences between reporting changes in equity before and after the adoption of IFRS, as well as to study the impact of reporting changes in equity on the return on investments. The sample used is a manufacturing company listed on the Indonesian Stock Exchange for four years from 2008 to 2011. Intentional sampling was used in the sampling method and the number of samples used was 16 from 132 manufacturers. Explanations are used in this type of research. Data analysis methods used simple linear regression analysis and hypothesis testing using a t (various) test or a paired sample test. The results of the analysis show that there is an impact between changes in inventory reporting and inventory performance. The t (difference) test shows that there is a difference in reporting changes in equity before and after the implementation of IFRS. This research is intended for potential researchers who wish to conduct a study comparing statements of changes in equity before and after the application of IFRS (International Financial Reporting Standards), as well as for researchers interested in resolving issues related to International Financial Reporting Standards. It will be useful. The impact of stock volatility reports on stock returns.

Keywords: Recognition, Income assessment, Manufacturing Enterprise

1. Introduction

Indonesia's economic crisis is a repeat of 2008-2009's global financial crisis. Initially, it was believed that the impact of the global economic crisis would not have a significant impact on the economic situation of Indonesia. However, in 2008, the effects of the economic crisis began to show in the Indonesian business community. As a result, some companies are planning to stop working in the manufacturing industry as the economic situation worsens. Earlier, the Indonesian economy was still experiencing a slowdown in economic growth, which weakened the rupiah exchange rate.

If the Indonesian rupiah automatically weakens, imports will become more expensive and people will buy less of these imports. To reduce imports, the government will raise the sales tax on luxury goods (PPhBM) and imported branded goods. Ultimately, Indonesian imports will fall and if exports remain stagnant, the depreciation of the rupiah can be used as a long-term counterbalance, again good for economic growth. In the short term, the depreciation of the rupee will have more negative than positive effects. This is because rising import prices will make life difficult for some economic players, especially listed and import-based companies in Indonesia.

The impact of these issues will affect capital markets. According to Ramadhan and Harlendro (2012), bonds (bonds), equities (shares), mutual funds, derivatives, and other products are traded on capital markets. Capital markets are the means by which companies and other institutions (such as governments) raise funds and carry out investment activities. In addition, capital markets also allow companies to sell stocks or issue bonds to increase their long-term funding needs. The Capital Market Supervisory Authority (BAPEPAM) was established to create an efficient and effective capital market.

The main goal of the company is to create value for its shareholders (investors). Investors need to make sure that the investments they are investing in can generate returns in the future. Highly profitable investors need to know information about the state of the company, the performance of company and the company's financial statements for the last period. The relevant sources can be used as a guide to future dividend income or capital gains.

Investors must not only see the returns they will make from stocks, but also be aware of the risks they face. The one he is facing is also tall. Conversely, if you want to keep your risk low, your profit level will also be low. According to Jogiyanto (2008), two types of...
analysis are used to analyze the movement of stock prices: fundamental analysis and technical analysis.

A company's financial statements are useful to investors as they give an idea of the company's stage of development and the company's performance from the previous year to the present. In addition, investors also use the published financial statements of the company to make decisions based on the values/figures of the financial statements. Financial statements have Financial Accounting Standard (SAK) that must be followed in accordance with applicable regulations. National Accounting Standard (SAK) is agreed-upon guidelines that govern the accounting for financial statements of companies in relation to economic resources, liabilities, equity, results, costs, etc. Be aware that the development of Financial Accounting Standards (SAK) will change in line with current social changes and regulations, as well as the evolution of global financial accounting standards. Thus, Indonesia is in the process of adopting or aligning financial accounting standards (SAK) with international financial standards known as International Financial Reporting Standards (IFRS).

International Financial Reporting Standards (IFRS) are international accounting standard which provide guidance for the presentation of annual financial statements for public companies. Indonesia has adopted IFRS as its accounting standard to ensure that financial statements are of high quality and provide relevant information to investors. In addition, IFRS is able to use to strengthen the global financial architecture and find long-term solutions to the lack of financial transparency.

2 Literature Review

2.1 Capital Market

According to Tandellin (2010), through securities negotiations, the capital market is a meeting place for parties with excess funds and those in need of funds. Understand the capital market (capital market) in accordance with the Law on the Capital Market No. 20. 8 of 1995. Namely: activities related to public offerings and transactions in securities, public companies associated with the securities they issue, as well as institutions and professions related to securities. The general definition of capital markets is an organized financial system that includes commercial banks and all intermediaries in the financial sector, as well as all marketable securities in circulation. In the strictest sense, a capital market is a trading floor (a place in the form of a building) ready for trading in stocks, bonds and other types of securities using the services of a brokerage firm (Sunariyah, 2011).

Thus, under section 1 of the Capital Markets Act No. 8 of 1995, a stock exchange is defined as: For the negotiation of securities with other parties.” In Indonesia, securities were traded through stock trading on the Indonesian Stock Exchange.

According to Raharjaputra (2011), the capital market as a forum for company financing and investment for investors is of interest to many stakeholders. In fact, to create a favourable investment climate, it is necessary to regulate the exercise of good governance and oversight. In Indonesia, the regulator for capital market implementation is BAPEPAM (Capital Market Supervision Agency). Meanwhile, the existing stock exchanges are Jakarta Stock Exchange (BEJ), Surabaya Stock Exchange (SSX) and Parallel Exchange. BEJ and BES are now being replaced by IDX. The Parallel Exchange was launched on June 2, 1988 and is run by the Money and Securities Union, whose members are brokers and traders. Baepam has a number of regulations in the form of laws and presidential decrees to encourage capital market participants to be more active. Therefore, efforts are being made to ensure the interests of each party, including:

a) Guarantee the profit of the issuer after the sale of shares in the capital market.

b) Protect the interests of investors in the sense that the issuer or broker/intermediary will not harm them.

c) Ensure the interests of brokers/intermediaries so that the issuer or investors do not harm them.

According to Darmadji and Fakhruddin (2011), financial instruments traded on the capital markets are long-term (one year or more) instruments such as stocks, bonds, warrants, rights and mutual funds. These measures can be described as follows

2.2 Action Definition

A share can be defined as a statement or signature of a natural or legal person's ownership of a company or limited liability company. Ordinary shares, i.e. shares that give the junior holder the rights to distribute dividends and company assets in the event of liquidation of the company.

Preferred stocks are stocks that combine the characteristics of bonds and common stocks in that they may earn a fixed income (such as interest on bonds) but may not deliver the results that investors want. Link is a value indicating that the bond issuer is required to borrow a range of funds from the public and make periodic interest payments, while the bond buyer is required to pay the principal at a specific time.

A certificate (right) is a document giving its holder the right to exchange (execute) ordinary shares. An order is the right to buy common stock at a predetermined time and at a predetermined price.

2.3 Investments

According to Martono and Harjito (2008), investments are defined as the embedded assets of a company. Investments can be made in real or financial assets. Real assets are assets that are physical in nature, such as real estate, buildings, land, and building inventory. On the other hand, financial assets are assets in the form of securities such as stocks and bonds. The assets owned by the company are used in the business to achieve the goals of the company. The ability of a company to manage these assets determines its ability to generate the desired profit. Making bad decisions when investing in
these assets will prevent the company from achieving its goals.

According to Jogiyanto (2009), investment is the backlog of current consumption invested in assets that are productive over a period of time. Financial Accounting Standards Manual (PSAK) No. 13 states that the investment must be made by the company for other benefits to the investor, such as profits generated from a business relationship or through the distribution of investment income to assess the value of the investment, is an asset used to increase wealth.

Investors making investment decisions need information about a company's management accounting in terms of total assets, total income, and total future costs. Complete asset information provides a measure of the amount of money invested in a business, while total future income and costs provide a measure of the level of ability to generate a return on investment in a business. Investing is essentially buying an asset that is expected to be resold at a higher price in the future. It can also be said that investments set aside current consumption for future consumption in the hope that the future benefits will outweigh the temporary risks associated with the investment made.

### 2.4 Financial Report

And Harlindo (2012), financial statements are reports containing financial information about an organization. The financial statement issued by a company is the result of an accounting process designed specifically to communicate financial information to third parties.

In accordance with ISA 1 (Revised 2009), it is a structured presentation of an entity's financial position and performance, and the purpose of financial statements is to provide information about its financial position, financial performance, and financial performance. Enterprise Cash Flow is useful to most users of the report. Financial reporting also shows the implications of the government's responsibility for using the resources entrusted to it to achieve financial reporting objectives. Financial statements provide information about an enterprise, including assets, liabilities, equity, income and expenses, including profits and losses, contributions and payments to owners in their capacity as owners, and cash flows. This information.

According to PSAK No. 1 (Revised 2009), a complete financial statement consists of the following elements:

- from. Statement of financial position (balance sheet) at the end of the period
- b) Statement of comprehensive income for the period
- c) Statement of changes in equity for the period
- d) Statement of cash flows for the period

Notes to the financial statements containing significant accounting policies and other explanatory information.

F. As of the beginning of the comparative period presented, the retrospective application or restatement of an accounting policy, or the reclassification of an item in the Statement of Financial Position, of an entity.

### 2.5 Statement of Changes in Equity

The statement of changes in equity is a financial statement that shows changes in equity over a specific period. The statement of changes in equity consists of the opening principal balance of the trial balance, after adjustment, plus net income for the period minus private income (profit). The statement of changes in equity consists of four elements:

a. Initial capital

The initial capital in the statement of changes in equity is derived from the initial or additional investment in the company. All funds invested in the company are used to support the activities of the company when it was just created.

b. Profit

Profit/loss in the statement of changes in equity means that the profit of the company increases the capital of the company, and the loss reduces the capital of the company.

c. Box (private)

This case reduces the capital of the owner if the owner receives part of the profit for his own benefit, other than a commercial interest. If you are a sole trader or a company, the recall is called a prize, and if the company is a company (PT), it is called a dividend. If the net income is greater than the pension benefit, the company's capital will increase, and vice versa, if the net income is less than the pension benefit, the company's capital will decrease.

d. Final capital

Starting equity in the Statement of Changes in Equity is the opening balance of equity plus profit/loss minus drawdown. The last line of initial capital plus profit (if profitable), the total fund is minus the price. / The number of dividends and the result is the final capital.

ISA 1 (Revised 2009) requires an entity to present a statement of changes in equity showing:

a) Total comprehensive income for the period showing separately the total amounts attributable to owners and non-controlling interests of the parent.

b) For each component of equity, the effect of retrospective application or retrospective restatement is recognized in accordance with SA 25 (Revised 2009), Accounting Policies, Changes in Accounting Estimates and Errors.

c) For each component of equity, a reconciliation of the opening and closing carrying amounts separately shows the corresponding changes resulting from:

- Profit and loss
  - Each item of other comprehensive income
- Transactions with owners in their capacity as owners.

It separately presents owner-to-owner transfers and payments to owners, as well as changes in the ownership of subsidiaries that do not result in a loss of control.
3 Research method

In this research, a descriptive study was used because the researchers wanted to compare the results of reporting changes in equity before and after the adoption of IFRS, as well as the causal relationship between changes in equity and the profitability of increase actions. This research model uses a quantitative descriptive research model. According to Sugishirono (2008), a quantitative research model is a research model based on positivist philosophy used to investigate a specific population or sample.

According to Sugiono (2009), the sample is part of the population and characteristics. Since the sample is part of the population, the sample taken in the survey must be truly representative of the characteristics of the population (representative). The sampling technique in this study used deliberate sampling.

Objective sampling is a sampling technique carried out by selecting sample members based on considerations and criteria adapted to the purposes of the study. Selected selection criteria:

a. Financial statements of manufacturing companies listed on the Indonesian Stock Exchange from 2008 to 2011 and issuing companies for four consecutive years. Because this financial report is the source of data that researchers need.

b. Companies whose financial statements are fully public and contain financial statement data that meets the needs of researchers. Because researchers need data from a component of a company's financial statements: a statement of stock movements.

c. Manufacturing companies that were profitable during the study period 2008-2011. Researchers are looking for companies with high margins.

d. Manufacturers tightening prices between 2008-2011. Because researchers want to know the price of a company's stock in order to calculate the profit made over that period.

e. Producers that paid or distributed dividends in succession during the period 2008-2011. Dividends are a measure of shareholder wealth.

Of the 132 manufacturing companies surveyed from 2008 to 2011, 16 companies selected samples based on established criteria. The study is based on data in the form of summary and annual reports published by the Indonesian Stock Exchange. This study used a four-year follow-up period from 2008 to 2011. Thus, the data obtained represents observations for 16x4 years, data from up to 64 companies. According to the results of trial measurements, you can see in the table

<table>
<thead>
<tr>
<th>Code</th>
<th>Company Name 2008-2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACII</td>
<td>(PT. Astra International Tbk.)</td>
</tr>
<tr>
<td>ASGR</td>
<td>(PT. Astra Graphia Tbk.)</td>
</tr>
<tr>
<td>BRNA</td>
<td>(PT. Salon Tbk.)</td>
</tr>
<tr>
<td>Buddhi</td>
<td>(PT. Budi Acid Jaya Tbk.)</td>
</tr>
<tr>
<td>DELTA</td>
<td>(PT. Delta Jakarta Tbk.)</td>
</tr>
<tr>
<td>GGRM</td>
<td>(PT. Gudang Garam Tbk.)</td>
</tr>
<tr>
<td>Thirsty</td>
<td>(PT. Indonesian Pacific Champion Tbk.)</td>
</tr>
<tr>
<td>INTP</td>
<td>(PT. Indocument Tbk.)</td>
</tr>
<tr>
<td>KLBF</td>
<td>(PT. Kalbe Farma Tbk.)</td>
</tr>
<tr>
<td>Brand</td>
<td>(PT. Merek Tbk.)</td>
</tr>
<tr>
<td>MLB</td>
<td>(PT. Multi Bintang Indonesia Tbk.)</td>
</tr>
<tr>
<td>SMSM</td>
<td>(Fri. Selamat Sempurna Tbk.)</td>
</tr>
<tr>
<td>Souh</td>
<td>(PT. Sorini Agro Asia Corporindo Tbk.)</td>
</tr>
<tr>
<td>TCID</td>
<td>(PT. Mandom, Indonesia, Tbk.)</td>
</tr>
<tr>
<td>UNTR</td>
<td>(PT. United Tractors Tbk.)</td>
</tr>
</tbody>
</table>

3.1 Data type

This study uses quantitative data, which is numerical data that is physically observed, recorded, classified and processed according to events and according to time and place. The quantitative data format for this study is the financial statements published on the Indonesian Stock Exchange (IDX) for four consecutive quarters from 2008 to 2011.

4 Research Discussion

4.1 Description of data

The descriptive data for this study presents the data for each variable. The independent (independent) variable in this study is the inventory change report, and the dependent (dependent) variable in this study is the stock return. The study uses data from manufacturing companies listed on the Indonesian Stock Exchange for the period 2008-2011, accessed through the website (www.idx.co.id). Although 132 manufacturers are listed on the IDX, the sample size for this study is only 16 that meet the survey criteria. The intentional sampling method described in the previous chapter was used to select the sample in this study. On the other hand, we will use the SPSS 16 program to calculate the data.

Manufacturing companies were selected as a sample for the study because their annual financial statements are publicly available. Therefore, the data is real data and is subject to the terms and conditions of the company. Therefore, companies are required to file annual financial statements in accordance with applicable accounting standards, known as global accounting standards or IFRS (International Financial Reporting Standards). IDX listed companies must apply IFRS.
(International Financial Reporting Standards) to ensure that these financial statements are understandable and informative for local and international investors.

4.2 Dependent Variable (Final Variable)

Share performance is the return that shareholders receive from their investment in the company. Investments are made with the expectation of obtaining maximum profit in the future. The rate of return on shares received can be measured by subtracting the current period's share price from the previous period's share price and dividing the resulting amount by the previous period's share price. Share returns for the period 2008-2011.

Based on the following table, the average return on equity before IFRS for the period 2008 was 1.23 and 1.54 for the period 2009, while the average return on equity after applying IFRS for the period 2010 was 1.80 and 1.80 for the period 2011. For the period 2008-2011 the companies with the highest earnings before and after the introduction of IFRS were Gudang Garam Tbk with 3.50 (2008), 4.07 (2009), 4.55 (2010) and 4.55 (2011). The company with the lowest return on equity prior to the introduction of IFRS in 2008 was Astra Otoparts. Tbk 0.05 and period 2009 was Selamat Semprun While Tbk was 0.15, the company with the lowest return on equity after applying IFRS for the period 2010 was 1.80 for the period 2011 2.29 For the period 2008 equity prior to the introduction of IFRS were Gudang Garam Tbk 1.54 for the period 2009, 1.83 for the period 2010 was 1.80 and 2.25 for the period of 2009.

From the results in the table, it can be seen in table 4.2 and in diagram 4.2. The table below shows that the average result for reporting changes in equity used as a reference is the company's final equity. Thus, we see that an increase in the value of the company's earnings and dividends will affect the level of share prices. This indirectly affects the income received by shareholders. The results of the reported values of changes in net worth for the period 2008-2011. can be seen in table 4.2 and in diagram 4.2.

The table below shows that the average result for reporting changes in equity before IFRS in 2008 was 4,967,081.94, and for the period of 2009 - 5,959,376.06. For the 2010 period, the post-IFRS number was 7,187,043,104, 310,051,836.25 for the 2011 period. From the table of changes in share capital, it can be seen that the company with the highest share capital before and after the introduction of IFRS for the period 2008-2011. is Astra International Tbk. For companies with minimum capital prior to the introduction of IFRS in the 2008 period, these were Berlina Tbk with a value of 179,741 and Multi Bintang Indonesia Tbk in the 2009 period.

4.3 Independent Variables (Independent Variables)

The change in the stock report in this study is the explanatory/independent variable used to measure the impact on stock returns. The component of the statement of changes in equity used as a reference is the company's final equity. Thus, we see that an increase in the value of the company's earnings and dividends will affect the level of share prices. This indirectly affects the income received by shareholders. The results of the reported values of changes in net worth for the period 2008-2011. can be seen in table 4.2 and in diagram 4.2.

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4.4 Report the company's capital change value of INR 10 million.

Table 3. Trading company change financial report
Table 4. f Test Result

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized coefficient</th>
<th>Unstandardized coefficient</th>
<th>T</th>
<th>Sig</th>
<th>95% confidence interval for B</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
<td>Lower Bound</td>
</tr>
<tr>
<td>1</td>
<td>(constant)</td>
<td>1.323</td>
<td>.129</td>
<td>.000</td>
<td>1.066</td>
</tr>
<tr>
<td>X</td>
<td>5.553 E-8</td>
<td>.638</td>
<td></td>
<td>.000</td>
<td>.000</td>
</tr>
</tbody>
</table>

a. Dependent variable Y

Based on Table 4.3, we find that the sensitivity value for stocks is 0.638. On the other hand, the standard error for this analysis is 0.910. This means that equity affects the stock's return by 0.638. The constant for the simple linear regression model in this study is 1323.

Normality tests are used in regression analysis tests to determine the distribution of data. In addition, this test is also used to determine the normal distribution of dependent and independent variables. The results of the normality test are shown in Fig. 4.1.

In the image below, we can see that the independent variable, i.e. stocks, is normally distributed over the dependent variable. Stocks are coming back because the distribution of points is in a straight line. This means that the data was normally distributed. Therefore, the data passes the normality test.

![Fig.2. Source Normality Test Results](image-url)

### 4.5 Results Study Analysis

Linear regression analysis in this study is an analytical tool used to test and determine the influence of independent variables. That is, a report on the change in the stock of the dependent variable, i.e. stock income. This analysis is used to solve a research problem concerning the impact of reporting changes in equity on stock returns. In this case, we say that a variable can be affected by one or more variables. Because with regression analysis, you can get the coefficient for each independent variable. Based on the results of a simple linear regression test, we can see this in the following table.

<table>
<thead>
<tr>
<th>f Test Result</th>
<th>T</th>
<th>Sig</th>
<th>95% confidence interval for B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
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</tr>
<tr>
<td>1</td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
</tr>
<tr>
<td>X</td>
<td>5.553 E-8</td>
<td>.638</td>
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</tr>
</tbody>
</table>

A test for heteroskedasticity is performed in regression analysis to test for variable inequalities from one observed residual to another. A good study of regression models is homoscedasticity. That is, the variants of the variables in the regression have the same values. However, when the variants of the variables in the regression have different values, this is called heteroskedasticity. The results of the heteroscedasticity test can be presented as follows.

### 5 Conclusion

Financial Accounting Standards are guidelines that apply to all companies listed on the IDX (Indonesian Stock Exchange). This is because Indonesia has used or implemented accounting standards governed by International Accounting Standards, namely IFRS (International Financial Reporting Standards). The application of IFRS to a company's annual financial statements aims to ensure that the financial statements presented by each entity are of high quality and therefore relevant information that investors can provide to invest in that company. Based on data tests conducted using the t (difference) test, we show that there is a significant difference in the reporting of changes in equity before and after the adoption of IFRS (International Financial Reporting Standards). IDX (Indonesian Stock Exchange). There are also differences in how changes in equity are reported before and after the adoption of IFRS.

The Statement of Changes in Shares is a component of financial statements and consists of several components such as the company's initial capital, net income, dividends, and the company's final capital. The statement of changes in capital is also important information for investors when making the final
decision to increase the company's capital. Based on tests performed using a simple linear regression analysis, it was shown that changes in stock reports have a significant impact on the increase in the performance of stocks of manufacturing companies listed on the Indonesian Stock Exchange (IDX).

For future researchers, this study will serve as a reference for future researchers wishing to conduct research comparing pre- and post-IFRS statements of changes in equity, as well as interested researchers. Issues related to the impact of stock change reports on stock returns have been resolved. Then, to get more relevant results, we can continue this study by adding more variables and using a longer study period depending on the companies we choose.

References


