THE EFFECT OF RELEVANCE OF THE VALUE OF ACCOUNTING INFORMATION IN AUTOMOTIVE SECTOR MANUFACTURING COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE

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ARTICLEINFO	ABSTRACT
Keywords: *Relevance* *Accounting Information* *Automotive sector*	The relevance of the value of accounting information in the automotive sector manufacturing companies listed on the Indonesia Stock Exchange is significant for various stakeholders. For investors, the value of accounting information provides valuable insights into the financial performance and stability of a company, which can help them make informed decisions about whether to invest in the company. For management, the value of accounting information helps them understand the financial health of the company and make informed strategic decisions. Additionally, the value of accounting information is important for regulators, as it helps them ensure that companies are complying with financial reporting standards and regulations. The value of accounting information in the automotive sector manufacturing companies listed on the Indonesia Stock Exchange is critical for investors, management, and regulators, as it helps them understand the financial performance and stability of the companies.
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1. INTRODUCTION

There is a phenomenon of a new policy in Indonesia, namely the 0% vehicle purchase tax or government-funded tax incentives for sales of luxury goods (PPnBM). Officially issued by the finance minister Sri Mulyani in PMK Noor 20/PMK.010/2021 regarding the luxury goods sales tax. Sri Mulyani stated that the budget for motor vehicles would continue until 2022 [1]

Based on the aforementioned phenomenon, how will the existence of a new policy affect financial reports and stock prices, particularly for automotive manufacturing companies? Consequently, does this imply that accounting information has no value relevance for market participants, such that accounting information has no value for investors [2]. This issue will be explained in this study, titled "The relevance of accounting information's value in automotive manufacturing firms."

The formation of an efficient capital market relies heavily on accounting information [3]. In Indonesia, the capital market is not the primary driver of the country's economy; however, it is viewed as an important alternative for funding and investment vehicles,with accounting information for capital market-listed companies playing a crucial role in the formation of an efficient capital market . Form and content of accounting information have a significant impact on the process of making investment decisions. Relevant accounting information is utilized in the efficient market test. Using techniques of fundamental analysis, it is possible to obtain accounting information. This approach involves evaluating or predicting the value of investment instruments in the investment decision-making process, taking into account a variety of factors such as company performance, competitors, the company's industrial sector, politics, exchange rates, macroeconomics, and others.According to the concept of value relevance of accounting information, the reaction of investors in disclosing accounting information contained in financial reports and in making investment decisions is a crucial issue and factor [4].

The capital market is a marketplace for the trading of various long-term financial instruments, including debt securities, equities, mutual funds, derivative instruments, and other instruments [5]. Stock is a tradable financial instrument. The primary factors influencing stock prices are supply and demand. Financial report accounting information reflects the quality of company management activities. The stock price of the company reflects one aspect of its performance [6]. Individual stock prices can influence market prices because market prices are a combination of individual stock prices on the capital market. Moreover, individual stock prices and market prices are used to forecast individual stock returns and market returns, where individual stock returns and market returns are essential data for forecasting and predicting stock

*The Effect of relevance of the value of accounting information in automotive sector manufacturing companies listed on the indonesia stock exchange. **Hilman Maulana, et.al***

111

investment risk. The information presented by the company must be pertinent to the decisions made by investors. In order to be beneficial to the public, the company's financial statements must accurately reflect the company's financial situation. Relevant and trustworthy characteristics are necessary for decision-making information to be useful. Related information is data that can help users of financial statements make informed decisions. Information that is pertinent can affect the economic decisions of users. When relevant information is available, the user can evaluate past, present, and future events, validating or revising past evaluation results.

The value relevance of accounting information is a concept that refers to various accounting-related meanings and measurements. It is assumed that accounting information has value because the information is statistically relevant and accounting information relates to market value.

2. METHOD

The relationship between security prices and information is the primary indicator of a market's informational efficiency. When conducting fundamental analysis, investors require pertinent data. Future investor expectations of a company's performance influence stock prices. If investors believe that a company will grow, its share price will rise. In contrast, stock prices will decline if investors anticipate a decline in the company's performance. One of the factors that investors consider when evaluating the quality of information used to forecast stock prices [4] is the information contained in financial reports.

The value relevance of accounting information is also advantageous for investing in the empirical relationship between stock market values and accounting information, which aims to assess the impact of these accounting numbers on company valuation [7]. On the assumption that the capital market is efficient, statistical measurement of accounting information is used to determine which investors use accounting information when making investment decisions.

Earnings per share (EPS) is a commonly used metric for financial analysis. EPS provides a concise summary of a company's financial performance relative to the number of outstanding shares. The LPS, which is tied to the stock market price (price-earnings ratio), can provide an overview of the company's performance relative to the owner's investment. The widespread use of LPS necessitates the application of uniform LPS calculation techniques in a consistent and straightforward manner. This is not simple because there are a variety of methods for calculating the two determining variables of the IDIC, namely the amount of profit in one period and the number of outstanding ordinary shares during a continuous period.

The income statement is a report used to evaluate the financial performance of a business. Typically, companies use this income report as a barometer of their company's health in order to make strategic decisions and determine the next steps for executives and company stakeholders. This profit and loss analysis will reveal whether the company made a profit or a loss during a given period. This report is also used to provide information regarding corporate taxation.

The share price is the price established by the company for business entities and individuals who wish to acquire the right to own company shares. We will never be separated from the price component in the course of stock transactions. The rise and fall of prices is something that investors eagerly anticipate, as it can be beneficial for them [8]. There are two types of prices in stock transactions: the bid price (market demand) and the offer price. Always, the bid price will be less than the offer price. Spread refers to the difference between the bid price and the offer price.

The bid price is the market demand price, which means that the market is willing to purchase our shares at that price. If we own shares and wish to sell them immediately, the bid price is applicable to our transaction [9]. The offer price is the market offering price, which means that the market is willing to sell shares at that price. If we have cash and wish to purchase the shares in real time, the offer price will be used for our transactions.

3. RESULT AND DISCUSSION

Quantitative methods are employed by the author's methodology. Quantitative research, according to Punch, is empirical research in which the data must be calculable. Quantitative research can also be described as a method for collecting and analyzing numerical data. Using the annual reports of automotive manufacturing companies listed on a stock exchange, secondary data was collected. The author gathered financial report data from automotive sector manufacturing companies listed on the Indonesia Stock Exchange (IDX) from 2017 to 2021.

3.1 Descriptive Statistics or Variables for Research

The objective of descriptive statistics is to provide a summary or description of a data set based on the number of samples, minimum value, maximum value, average value, and standard deviation for each variable. In this study, the descriptive statistical tests yielded the following results:

Table 1: Result of a Descriptive Statistical Test Before Outler

	N	Minimum	Maksimum	Mean	Standar Deviation
BVPS	65	4	98	34.26	22.370
EPS	65	5	871	132.12	173.418
Kondial L/R	85	0	1	.91	.292
Harga Saham	85	122	12325	2157.97	2690.138
Valid N	65				

The BVPS variable (X1) has a minimum value of 4, a maximum value of 98, an average value of 34.26, and a standard deviation of 23,370, as shown in the table above. The minimum value for the EPS variable (X2) is 5, the maximum value is 871, the mean value is 132.12, and the standard deviation is 173,418. The minimum value of the Company L/R Condition Variable (X3) is 0 and the maximum value is 1, with an average value of 0.91 and a standard deviation of 0.292. The minimum value of the stock price variable (Y) is 122, the maximum value is 12325, the mean value is 2157.97, and the standard deviation is 2690.138.

3.2 Standard Test for Assumptions
a. Normality Evaluation

Table 2. Descriptive Statistics Regarding the Normality Test

Coefficients*

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.432.840	1.147.143		1.249	.216
	BVPS	1.536	1.778	.107	.862	.390
	EPS	5.462	1.985	.384	2.828	.005
	Kondal L/R Perusahaan	428.304	1.112.949	.046	.385	.702

a. Dependent Variable: Harga Saham

The BVPS sign value (X1) is greater than 0.05, so it can be assumed that the data are normally distributed. The EPS sign value (X2) is greater than 0.05, indicating that the data is normally distributed. The L/R condition (X3) is the sign value, which is 0.702 > 0.05, indicating that the research data are normally distributed.

b. Test of Multicollinearity

Table 3. Test for Multicollinearity

Coefficients"

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	2.045.472	1.163.994		1.757	.084		
	BVPS	-8.808	15.402	-.074	-.578	.566	.882	1.160
	EPS	5.268	1.990	.338	2.642	.010	.860	1.163
	Kondal L/R Perusahaan	305.410	1.111.795	.033	.275	.784	.973	1.028

The tolerance value for the BVPS variable (X1) is 0.826 > 0.01 with a VIF value of 1,160 10, the EPS variable (X2) has a tolerance value of 0.860 > 0.01 with a VIF value of 1,163 10, and the company's L/R condition (X3) has a tolerance value of 0.973 > 0.01 with a VIF value of 1.028 10. All of the variables' results are less than 10 and greater than 0.01, so it can be concluded that multicollinearity does not exist.

c. Test for Heteroscedasticity

The Effect of relevance of the value of accounting information in automotive sector manufacturing companies listed on the indonesia stock exchange. Hilman Maulana, et.al

Table 4. Heteroscedasticity Test Coefficientsa
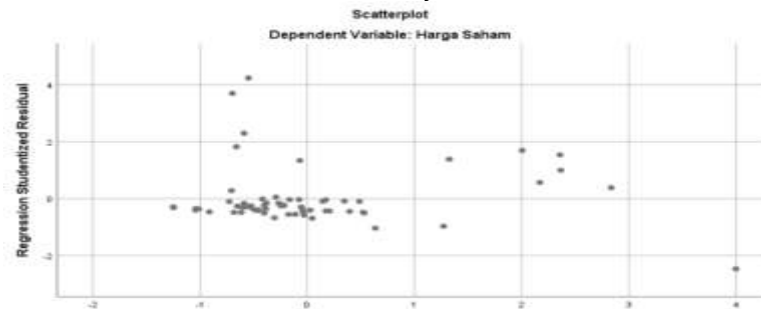
Based on the fact that the dots are evenly distributed at the top and bottom or around the number 0, we can assume that the data do not exhibit heteroscedasticity.

3.3 Test for Coefficient of Determination (R Square)

Tabel 5. Coefficient of Determination Test

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.825ᵃ	.681	.522	8.865.109
a. Predictors: (Constant), Moderasi2, Moderasi1, EPS, BVPS				

The adjusted R square results are 0.522, or 52.2%, as shown in the table above. This indicates that book value per share, earnings per share, and the condition of the company's profit and loss have a 52.2% influence on stock prices, while the remaining 48.8% is influenced by variables not included in this research model.

3.4. Discussion

The book value of equity per share (BVPS) has a substantial impact on the market price of a stock. This demonstrates that a higher book value of equity per share can result in a rise in share prices [10], [11]. Which states that investors continue to believe that the book value of equity per share describes the wealth of investors for each share owned, so that an increase in the book value per share will result in an increase in the stock price of the company [12]

The earnings per share (EPS) has a substantial impact on stock prices. This demonstrates the value relevance of this accounting information because investors consider the company's ability to generate net income per share when making stock purchase decisions [13]. Which states that the EPS value is still applicable to research on the value relevance of accounting data [14]

The L/R conditions of the company can moderate the value of BVPS and EPS. This demonstrates that the company's L/R condition impacts the value of BVPS and EPS . Company size and earnings are among the most important fundamental factors that investors consider when deciding where to invest [15]. The superior financial data of affiliated companies increases investor interest in making investments [16]

4. CONCLUSION

Based on the results of the analysis and discussion described in the preceding chapter, this study concludes that the book value of equity per share (BVPS) has value relevance for the company or a significant impact on stock prices. It has been demonstrated that earnings per share (EPS) has a significant impact on the value of a company or on stock prices. It has been established that the profitability of the company affects the significance of the book value of equity per share. The value relevance between the book value of equity per share and the share price is reduced under the earnings condition. It has been established that the condition of the company's earnings affects the relevance of earnings per share. In prosperous circumstances, the value relevance between earnings per share and stock price increases.

The Effect of relevance of the value of accounting information in automotive sector manufacturing companies listed on the indonesia stock exchange. Hilman Maulana, et.al

114

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