



Vol. 17 No. 3 2023

INFLUENCE CONSERVATISM ACCOUNTING, COMPANY SIZE , LEVERAGE, CAPITAL STRUCTURE AND PROFITABILITY AGAINST THE EARNING RESPONSE COEFFICIENT

Krisno Simatupang¹⁾, Maduri²⁾, Novalina Sinaga³⁾, Agnes D.T
Hutagaol⁴⁾, Nintha Katharina*⁵⁾, Umi Kalsum⁶⁾
¹²³⁴⁵Universitas Prima Indonesia

⁵Universitas Muhammadiyah Sumatera Utara

* Corresponding Email: yoisnelsarimalau@gmail.com

Submit :

13/15/2023

accept :

26/07/2023

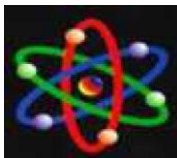
Publish :

31/07/2023

Abstract

Objective main study between 2016 and 2020 , research This done so Can know impact period long from a number variable influencing finance price share producing company food And drink And listed on the Indonesia Stock Exchange . Data is collated from 2016-2020 using 10 businesses choice of the total population of 24 and analyzed using SPSS 26. Analysis produce estimate coefficient 20 ,5, there will be a 29.9 percent increase on price share producing company food And drink between in 2016 and 2020, as determined by Current Ratio, Return on equity, Earning per share, and Debt to Equity Ratio , and enhancement share by 70.1 percent price company let variable the open . Findings from discussion indicates that the influence is beneficial And Enough big to price generated by a combination of CR, ROE, EPS, and DER. Please , some CR and DER do not affect price company , but ROE and EPS matter .

Keywords: Current Ratio, Return On Equity, Earning Per Share, Debt To Equity and Stock Price.



INTRODUCTION

Financial statements are the end result of the accounting process which includes two main reports, namely the balance sheet and income statement. Financial reports are prepared with the intention of providing financial information about a company to interested parties as material for consideration in making decisions. One of the important information that is considered by investors is information about company profits. Profit information is one of the instruments used by investors in making investment decisions. Announcement of profits in the capital market will cause a market reaction. The strong market reaction to earnings information is reflected in the high Earnings Response Coefficient (ERC), which indicates that reported earnings are of high quality (Melati and Kurnia, 2013). Earnings Response Coefficient (ERC) or earnings response coefficient is one measure used to measure earnings quality. Based on the data in the company.

PT. FKS Food Sejahtera Tbk with the stock code AISA in 2018 the value of accounting conservatism decreased in 2019 from 0.09% to -0.60% then the leverage in 2019 decreased from 2.13% to 1.43% in 2020 . At PT. Mayora Indah Tbk with the MYOR stock code in 2019 the accounting conservatism value decreased by -0.11%, then the leverage decreased successively from 1.06% to 0.92% in 2019 and decreased again in 2020 by 0.75%. At PT. Tri Banyan Tirta Tbk with the ALTO stock code in 2018,2019,2020 the value of accounting conservatism remained constant at 0.04%, then profitability experienced a successive decline in 2018 by -0.3% to -0.01% in 2019 and in 2020.

Earnings Response Coefficient (ERC)

According to Susanto (2012) Earnings Response Coefficient is the value of the abnormal return of a security in response or market response to the component of the surprise profit reported by the company issuing the securities which causes a market reaction to the informed earnings information. Profit Response is one measure that can be used to measure the relationship between earnings and stock returns (Anggreni, 2016). Ayu and Suprasto (2015) and Tuwentina and Gede (2014) show that the behavior of company management applies the precautionary principle in choosing accounting methods. So that investors will respond positively which will lead to a high value of the company's earnings response coefficient. According to Hery (2017: 91) the principle of conservatism has historically been a guideline for many accounting practices. Research from Zuhairini and Silfia (2017) The Effect of Accounting Conservatism on the Earning Response Coefficient (ERC)

Issuer Code	Year	Accounting Conservatism	Company Size	Company Leverage	Capital Structure	Profitability
AISA	2018	0.09	28,23	1.53	2.90	0.07
	2019	-0.60	28,26	2.13	1.89	0.60
	2020	-0.62	28,33	1.43	0.59	0.60
MYOR	2018	1.25	30.50	1.06	0.51	0.10
	2019	-0.11	30.58	0.92	0.48	0.11
	2020	1.16	30,62	0.75	0.43	0.11
ALTO	2018	0.04	27,74	1.87	0.65	-0.03
	2019	0.04	27,73	1.90	0.65	-0.01
	2020	0.04	27,73	1.97	0.66	-0.01

Table 1. Phenomena





The earnings response coefficient is a method often used to measure earnings quality.

Effect of Company Size on Earning Response Coefficient

The bigger the company, the bigger the company's ERC will also show a positive influence of company size on ERC (Rofika, 2016: 178). According to Ratna Wijayanti (2012) company size is measured by calculating total assets, because total assets can describe company size. Company size is a factor that needs to be considered in determining the capital structure. and the ability to obtain funds or capital (Joko, 2015: 7).

Effect of Leverage on Earning Response Coefficient

Research from Dewi, and Putra (2017) The Effect of Leverage on the Earnings Response Coefficient (ERC) The higher the company generates profits and the higher the level of leverage it has, the lower the value of the company's Earnings Response Coefficient (ERC). According to Maryam (2014), leverage is the use of a number of assets or funds by a company where in using these assets or funds, the company must incur fixed costs. According to Harahap (2013),

METHODS

Research Methods

Method study this is research quantitative that is research using types of data that can be measured or counted in a manner direct through research variables using numbers (Sugiono , 2016: 63). Source of data used

is secondary data of published reports on the IDX on the website www.idx.co.id.

Population and sample

Population study this is a company manufacture subsector food And drinks listed on the Stock Exchange Indonesia Period 2018 – 2020. Population totaling 51 manufacturing companies. Technique taking sample use purposive sampling method namely taking sample based on criteria . The criteria used namely :

1. Manufacturing company subsector food And beverages listed on the IDX in 2018 – 2020.
2. Publishing company report finance during period 2018 – 2020.
3. Registered company in a manner successively during period 2018 – 2020.
4. Experienced companies profit during period 2018 – 2020 years .
5. Distributed company dividend during period 2018 – 2020.

NO	Information	Amount
1.	Manufacturing company subsector food And that drink listed on the IDX in 2018 – 2020.	51
2.	publishing companies report finance in a manner complete during period 2018 – 2020.	(2)
3.	Unregistered company in a manner successively _ _ during period 2018 – 2020	(10)
4.	Experienced companies make a loss during period 2018 – 2020.	(3)
5.	Companies that don't share dividend during period 2018–2020	(6)

Table 2. Sample Selection Criteria

The number of data observations in the study this is 90 observational data .

Technique Data Collection

Technique data collection using studies documentation namely by collecting





secondary data form report finance And document about manufacturing companies listed on the Indonesia Stock Exchange for the period 2018 – 2020. Type And Data Source. The data used is quantitative data And the data source used is secondary data. Secondary data is a source of data obtained by reading, studying And understand through other media originating from literature, books And document . Sugiyono (2012:141). this data obtained through intermediary media such as the Indonesian Stock Exchange website , namely www.idx.co.id. Identification And Definition operational Variable Study Identification And definition Operational is an explanation from variables that have selected.

RESULTS

Descriptive statistics

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
CR	72	.88	13.31	3.0712	2.89005
DER	72	5.88	224.10	72.5875	43.13889
FS	72	15.25	30.62	25.4215	4.92918
KM	72	.00	169439930	235333236	1996868729.32695
			36.00	.8503	
NPM	72	.00	107.32	2.9749	17.32028
ROA	72	.00	.19	.0742	.04872
Valid N (listwise)	72				

Source: SPSS Processed Data 20

Figure1. Descriptive Statistics

On table on minimum value on variable Accounting Conservatism is -80538932.00 at PT Prime Horizon Eternal Tbk in 2018 and mark the maximum is 99766848792.00 at PT Prima Cakrawala Eternal Tbk 2020 , meanwhile mark the mean is 1816402339.3889 by default the deviation is 2219866865.76240. Min value on variable Company size is

174715908.00 at PT Sreeya Sewu Indonesia Tbk in 2018 and mark the maximum is 3061556607.00 at PT Mayora Inda , Tbk 2020 meanwhile mark the mean is 2054271955.1778 by default the deviation is 730473969.24186. Min value on Leverage variable is 51349478.00 at PT Inti Agri Resources Tbk in 2019 and mark the maximum is 8951349478.00 at PT FKS Multi Agro Tbk 2018 meanwhile mark the mean is 4501349478.0000 by default the deviation 2612470095.52263. Min value on variable The Capital Structure is 1645853.00 in PT Campina Ice Cream Industry Tbk year 2018 and mark the maximum is 733516371.00 at PT Prima Cakrawala Eternal Tbk year 2019 meanwhile mark mean 373481500.0000 with standars the deviation 215004686.46903. Minimum value on variable Profitability is -183897815.00 at PT . Two Sons Main Prosperous Tbk 2020 and mark the maximum is 416320268.00 at PT *Multi Star Indonesia* Tbk 2018 meanwhil mark mean 52104408.5222 with standard the deviation is 80017221.78600. Min value on the ERC variable is 9416669435.00 at PT Indofood Success Prosperous Tbk in 2018 and mark the maximum is 8371613643.00 at PT Garudafood Putra Putri Jaya Tbk 2019 meanwhile mark the mean is 6107943.6222 by default the deviation is 1566608636.88828.

Results of the Classical Assumption Test of Normality Test

Test assumption classic can be done by test normality , test multicollinearity , test autocorrelation And test heteroscedasticity where the data is processed use spss 20 software .



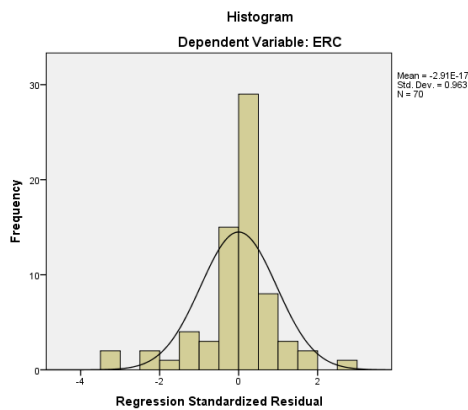


Figure 2. Histograms

In accordance with the histogram above, the curve lines tend to be symmetrical (U), so it can be concluded that this mean is normally distributed. The results of the normal probability plot in this study can be seen from the image below:

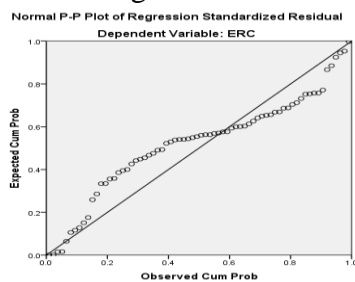


Figure 3. PP Plots

From pictures above can be understood If various point experience spread around normal lines and follow the diagonal line by therefore Can shows the data is normally distributed .

Results of Data Analysis Linear Regression Analysis

Multiple linear regression tests were held to find out how much influence the independent variables or independent variables have, namely the table shows the values of the Current Ratio, Dept. Equity

Ratio, Firm Size, Managerial Capability, and Return On Assets.

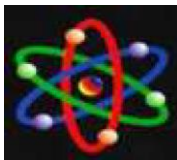
Coefficients ^a					
Model	Unstandardized Coefficients		Standardize d Coefficients	t	Sig.
	B	std. Error			
(Constant)	93631238.169	123226956.187		.760	.450
ka	.005	.019	.045	.264	.792
UK	.001	.047	.001	.011	.991
Leverage	-.015	.018	-.159	-.861	.393
BC	-.138	.147	-.122	-.935	.353
Profitabilit y	-.589	.494	-.166	-1.191	.238

Table 3. Linear Regression Test

$$ERC = 93631238.169 + 0.005 KA + 0.001UK - 0.015 Leverage - 0.138 BC - 0.589 Profitability$$

1. The constant 93631238.169, means mark variable free namely KA , UK , Leverage, SM, Profitability And worth constant, then ERC value 93631238.169 Up .
2. KA coefficient 0.005 , means every increase One KA units , then ERC value Up 0.005 units .
3. coefficient 0.001, mean every increase One unit UK , then ERC value rose 0.001 units .
4. Coefficient Leverage -0.015 means every increase One unit Leverage , then ERC value Decrease -0.015 units.
5. coefficient -0.138, mean every increase One BC units , then ERC value Decrease -0,138 unit .
6. Coefficient Profitability -0.589, means every increase One unit Profitability , then ERC value Up - 0.589 units .





Model	Coefficients ^a				t	Sig.
	Unstandardized Coefficients		Standardized Coefficients	Beta		
	B	std. Error				
(Constant)	93631238.169	123226956.187			.760	.450
KA	.005	.019	.045		.264	.792
UK	.001	.047	.001		.011	.991
Leverage	-.015	.018	-.159		.861	.393
BC	-.138	.147	-.122		.935	.353
Profitability	-.589	.494	-.166		1.191	.238

Table 4. T-Test

Known ttable 1.66864 with a significance of 0.05 so that results test in a manner Partial as following , results testing T test variable KA Tcount of 0.264 with 0.792 > 0.05 . Mark tcount < ttable (0.264 < 1.66864), meaning it doesn't work influence significant on Sub Sector Manufacturing Company Food And Beverages Listed on the Indonesia Stock Exchange . Results testing T test UK variable Tcount of 0.011 with 0.991 > 0.05 . Mark tcount < ttable (0.991 < 1.66864), meaning it doesn't work influence significant in Sub Sector Manufacturing Companies Food And Beverages Listed on the Indonesia Stock Exchange . Results testing variable t test Leverage Thitun of -0.861 with 0.393 > 0.05. Mark tcount < ttable (- 0.861 < 1.66864), meaning No So influence significant in Sub Sector Manufacturing Companies Food And Drink Listed on the Indonesia Stock Exchange . Results testing T test variable SM Tcount of -0.935 with 0.353 > 0.05. Mark tcount < ttable (-0.935 < 1.66864), meaning it doesn't work influence significant in Sub Sector Manufacturing

Companies Food And Drink Listed on the Indonesia Stock Exchange . Results testing variable t test Profitability tcount amounted to - 1,191 with 0.238 > 0.05. Mark tcount < ttable (-1.191 < 1.66864), meaning it doesn't work influence significant on the Company Manufacturing Sub Sector Food And Exchange Registered Beverages.

CONCLUSION

Referring to results And discussion before ,then on part end thesis. This will take a number of conclusion , namely , kindly Partial Accounting Conservatism , Size Company, Leverage , Capital Structure and Profitability kindly partial no influential And significant to Earnings Response Coefficient in Manufacturing Companies (Subsector Food & Drink) Registered on the Exchange Indonesian Securities Period 2018-2021, kindly simultaneous Accounting Conservatism , Company Size , Leverage, and Capital Structure Profitability kindly simultaneous influential And significant against , Earnings Response Coefficient in Manufacturing Companies (Subsector Food & Drink) Registered on the Exchange Indonesian Securities Period 2018-2021

BIBIOGRAPHY

- Agung Puteri Kusuma Dewi dan Made Pande Dwiana Putra, "Pengaruh Leverage dan Ukuran Perusahaan Terhadap Earning Response Coefficient" E- Jurnal Akuntansi Universitas Udayana, Vol. 19 No.1. (April 2017).
- Delvira, M., dan Nelviritita. (2013). Pengaruh Risiko Sistemik,





- Leverage dan Persistensi Laba terhadap Earnings Response Coefficients (ERC). *Jurnal WRA*, 1, 1.
- Dewi, D. M (2015). The Role of CSRD on Company's Financial Performance and Earnings Response Coefficient (ERC). *Procedia – Social and Behavioral Sciences*, 211 (September). 541-549.
- Fahmi, Irham, (2015). Analisis Laporan Keuangan. Bandung: Alfabeta.
- Ghozali, Imam. (2016). Aplikasi Analisis Multivariate Dengan Program (IBM SPSS). Edisi 8. Semarang: Badan Penerbit Universitas Diponegoro.
- Imroatussolihah, Ely. (2013). Pengaruh Risiko, Leverage, Peluang Pertumbuhan, Persistensi Laba Dan Kualitas Tanggung Jawab Sosial Perusahaan Terhadap Earning Response Coefficient Pada Perusahaan High Profile, *Jurnal Ilmiah Manajemen*, No. 1 (1), h. 75-87.
- Kusuma Dewi, A., & Dwiana Putra, I. (2017). Pengaruh Leverage dan Ukuran Perusahaan Pada Earnings Response Coefficient. *E-Jurnal Akuntansi*, 19(1), 367-391.
- Made Vina Christina Dewi dan Sri Rahayu. 2018. Pengaruh Struktur Modal, Ukuran Perusahaan Dan Persistensi Laba Terhadap Earnings Response Coefficient (Pada Perusahaan Manufaktur Sektor Industry di Bursa Efek Indonesia tahun 2012-2016). Universitas Telkom.
- Melati, R.A., dan Kurnia., (2013): Pengaruh Pengungkapan Informasi dan Profitabilitas Terhadap Earning Response Coefficient (ERC), *Jurnal dan Riset Akuntansi*, 2 (12), h. 1-16.
- Mita Tegar Pribadi, (2018), Pengaruh Struktur Aset, Ukuran Perusahaan, Likuiditas dan Profitabilitas Terhadap Nilai Perusahaan Dagang Besar yang Terdaftar di Bursa Efek Indonesia, *Progress Conference E-ISSN: 2622-304X Vol.1, 2622-3031*.
- Natalia, Desriyana, dan Ni Made Dwi Ratnadi. "Pengaruh Konservatisme Akuntansi dan Leverage pada Earnings Response Coefficient." *E-Jurnal Akuntansi Universitas Udayana* 20, no. 1 (2017): 61-86.
- Putu Ayu Widiastari, Gerianta Wirawan Yasa. (2018). Pengaruh Profitabilitas, Free Cash Flow, dan Ukuran Perusahaan pada Nilai Perusahaan. ISSN: 2302- 8556 *E-Jurnal Akuntansi Universitas Udayana Vol.23.2. Mei* (2018): 957-981.
- Ratna Wijayanti, Daniar Paramita. (2012). Pengaruh Leverage, Firm Size, dan Voluntary Disclosure Terhadap Earnings Response Coefficient. *Jurnal Wiga*, Vol. 2, no. 2, September 2012. ISSN: 2065-0944.
- Rofika. (2015). "Faktor-Faktor Yang Mempengaruhi Earning Response Coefficient (ERC) Perusahaan Manufaktur yang Terdaftar di Bursa Efek Indonesia 2012". *Jurnal Akuntansi*, Vol. 3, No. 2, April: 174-183.





- Sugiyono. (2016). Metode Penelitian Kuantitatif, Kualitatif dan R&D. Bandung: PT. Alfabet.
- Sutrisno. (2012). Manajemen Keuangan Teori Konsep dan Aplikasi. Yogyakarta : Ekonisia.
- Suwarno, Tumirin, & Zamzami (2017), Influence of Size, Growth and Profitability of Company To Earnings Response Coefficient, International Journal of Advanced Research, Desember Vol. 5 No. 12.
- Wulandari, I. A. T., & Herkulanus, B. S. (2015). Konservatisme Akuntansi, Good Corporate Governance dan Pengungkapan Corporate Social Responsibility Pada Earnings Response Coefficient. E-Jurnal Akuntansi, 13(1), 173-190.

