

CHAPTER V

CONCLUSION

5.1 Conclusion

This research studies about the association between goodwill impairment and earnings management. Based on the result, it suggests that goodwill impairment positively affects earnings management measured using discretionary accruals. This result prove the idea that PSAK 48 (Revision 2009) involves managers' estimation, such as cash flow and discount rate, the subjective component in the determination of the amount of goodwill impairment loss. This subjective recognition give opportunity for managers to manage their earnings.

5.2 Limitation

This research have limitations. The first is the limitation of the sample firms. In Indonesia, there are not many firms have goodwill impairment. This research supposed to cover all firms in Indonesia Stock Exchange but unfortunately there are only 47 firms which could pass the criteria. This is the consequence of the limited company which has goodwill in Indonesia. Besides, the research is using the old regulation which is PSAK 48 (Revision 2009). The next limitation is that we only use four control variables which are leverage, boardsize, political cost, and operating cash flows.

5.3 Suggestion

For the better research, we provide some ideas for the following research regarding goodwill impairment and earnings management. There are some possibility that the next study could make, which are:

1. The next research may use the newest PSAK so the result could be use as current evaluation.
2. The next research may add some control variables besides leverage, boardsize, political cost, and operating cash flows.

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APPENDIX A

LIST OF SAMPLES

NO	CODE	NAME	NO	CODE	NAME
1	ABBA	PT Mahaka Media Tbk	21	HMSP	PT Hanjaya Mandala Sampoerna Tbk
2	ADMG	PT. Polychem Indonesia Tbk	22	ISAT	PT Indosat Tbk
3	ANTM	PT Aneka Tambang Tbk	23	JSMR	PT Jasa Marga (Persero) Tbk
4	ASIA	PT Asia Natural Resources Tbk	24	JSPT	PT Jakarta Setiabudi Internasional Tbk
5	BHIT	PT MNC Investama Tbk	25	KPIG	PT Global Land Development Tbk
6	BIPI	PT Benakat Petroleum Energy Tbk	26	LAPD	PT Leyand International Tbk
7	BKSL	PT Sentul City Tbk	27	LPKR	PT Lippo Karawaci Tbk
8	BMTR	PT Global Mediacom Tbk	28	LSIP	PT Perusahaan Perkebunan London Sumatra Indonesia Tbk
9	BNBR	PT Bakrie & Brothers Tbk	29	MAPI	PT Mitra Adiperkasa Tbk
10	BUDI	PT Budi Acid Jaya Tbk	30	MDRN	PT Modern Internasional Tbk
11	CENT	PT Centrin Online Tbk	31	MLPT	PT Multipolar Technology Tbk
12	CITA	PT Cita Mineral Investindo Tbk	32	MNCN	PT Media Nusantara Citra Tbk
13	COWL	PT Cowell Development Tbk	33	MYRX	PT Hanson International Tbk
14	CPDW	PT Indo Setu Bara Resources Tbk	34	PLIN	PT Plaza Indonesia Realty Tbk
15	CPIN	PT Charoen Pokphand Indonesia Tbk	35	PSDN	PT Prasadha Aneka Niaga Tbk
16	CPRO	PT Central Proteinaprima Tbk	36	RODA	PT Pikko Land Development Tbk
17	DART	PT Duta Anggada Realty Tbk	37	SKYB	PT Skybee Tbk
18	DKFT	PT Central Omega Resources Tbk	38	SULI	PT Sumalindo Lestari Jaya Tbk
19	ELTY	PT Bakrieland Development Tbk	39	TSPC	PT Tempo Scan Pacific Tbk
20	FMII	PT Fortune Mate Indonesia Tbk	40	UNSP	PT Bakrie Sumatera Plantations Tbk
			41	WIKA	PT Wijaya Karya (Persero) Tbk

APPENDIX B

SPSS RESULT

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
DACC	47	,00	4,36	,2507	,63870
GW	47	,00	,17	,0124	,03098
Bsize	47	2,00	10,00	4,6170	1,76381
Lev	47	-31,78	64,05	1,9530	10,66710
Cashflows	47	-,08	3,36	,1338	,49177
Size	47	23,12	31,63	28,9307	1,75952
Valid N (listwise)	47				

Normality Test

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		47
Normal Parameters ^{a,b}	Mean	,0000000
	Std. Deviation	,16024103
	Most Extreme Differences	
	Absolute	,081
	Positive	,073
	Negative	-,081
Test Statistic		,555
Asymp. Sig. (2-tailed)		,918

a. Test distribution is Normal.

b. Calculated from data.

Multicollinearity Test

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	2,200	,453		4,860	,000		
	GW	2,101	,870	,102	2,416	,020	,863	1,159
	Bsize	,030	,016	,084	1,858	,070	,748	1,337
	Lev	,001	,002	,022	,555	,582	,973	1,028
	Cashflows	1,229	,051	,946	23,977	,000	,985	1,015
	Size	-,079	,017	-,217	-4,773	,000	,740	1,351

a. Dependent Variable: DACC

Heteroscedasticity Test

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-,012	,278		-,045	,965
	GW	-,587	,534	-,175	-1,100	,278
	Bsize	,014	,010	,231	1,356	,183
	Lev	-,001	,001	-,057	-,379	,707
	Cashflows	,030	,031	,140	,944	,351
	Size	,003	,010	,043	,252	,802

a. Dependent Variable: abs

Autocorellation Test

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,968 ^a	,937	,929	,16973	1,896

a. Predictors: (Constant), Size, Lev, Cashflows, GW, Bsize

b. Dependent Variable: DACC

Regression Result

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	Size, Lev, Cashflows, GW, Bsize ^b		Enter

a. Dependent Variable: DACC

b. All requested variables entered.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,968 ^a	,937	,929	,16973

a. Predictors: (Constant), Size, Lev, Cashflows, GW, Bsize

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	17,584	5	3,517	122,075	,000 ^b
	Residual	1,181	41	,029		
	Total	18,765	46			

a. Dependent Variable: DACC

b. Predictors: (Constant), Size, Lev, Cashflows, GW, Bsize

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2,200	,453		4,860	,000
	GW	2,101	,870	,102	2,416	,020
	Bsize	,030	,016	,084	1,858	,070
	Lev	,001	,002	,022	,555	,582
	Cashflows	1,229	,051	,946	23,977	,000
	Size	-,079	,017	-,217	-4,773	,000

a. Dependent Variable: DACC

APPENDIX C

DATA

2011

NO	Firm	GW_Impair	Bsize	Lev	CFSit	Political cost	DA	ABSOLUTE
1	ADMG	0,00010	7	1,03996	0,07240	29,28872	-0,21048	0,21048
2	ASIA	0,00100	5	0,38920	-0,07685	24,79537	0,85187	0,85187
3	BIPI	0,08493	3	0,19156	0,01203	28,94484	-0,06746	0,06746
4	BUDI	0,00012	5	1,70894	0,03764	28,38399	-0,15254	0,15254
5	CPDW	0,17294	3	15,06378	-0,05866	23,12110	0,80614	0,80614
6	DKFT	0,00004	3	0,12313	3,36127	27,89437	-4,35669	4,35669
7	ELTY	0,00043	5	0,62427	-0,07436	30,50503	0,05521	0,05521
8	FMII	0,00001	3	0,41363	-0,01687	26,58635	0,00389	0,00389
9	HMSP	0,00913	5	0,89931	0,54023	30,59507	-0,40044	0,40044
10	JSMR	0,00003	7	1,10298	0,10534	30,69591	-0,04492	0,04492
11	JSPT	0,00021	6	0,77624	0,16815	28,68655	-0,06350	0,06350
12	KPIG	0,00001	3	0,07606	0,00830	28,29817	-0,06930	0,06930
13	LAPD	0,00135	2	0,70259	0,11663	27,80049	-0,13735	0,13735
14	MAPI	0,00254	5	1,46099	0,12834	29,11611	-0,26149	0,26149
15	MDRN	0,00163	3	1,50603	-0,06357	27,69128	0,01384	0,01384
16	PLIN	0,00018	4	0,84234	0,07836	29,07389	-0,07907	0,07907
17	PSDN	0,01566	6	1,04260	0,05020	26,76677	-0,63482	0,63482
18	TSPC	0,00068	3	0,39542	0,16375	29,07803	-0,09581	0,09581
19	UNSP	0,00315	5	1,06483	0,06105	30,55967	-0,06345	0,06345
20	WIKA	0,00032	5	2,75014	0,13337	29,75004	-0,20776	0,20776

2012

NO	Firm	GW_Impair	Bsize	Lev	CFSit	Political cost	DA	ABSOLUTE
1	ABBA	0,07115	5	2,25185	0,03510	26,81357	-0,02383	0,02383
2	BHIT	0,00341	5	0,47906	0,04227	30,93622	0,06631	0,06631
3	BKSL	0,00000	7	0,27776	0,08269	29,44816	-0,03602	0,03602
4	BMTR	0,00465	3	0,39870	0,11265	30,62653	-0,04214	0,04214
5	BNBR	0,00006	4	1,86804	0,01463	30,38198	-0,02558	0,02558
6	CENT	0,02666	4	0,29813	0,04149	25,39938	-0,10909	0,10909
7	CITA	0,04188	2	0,73496	0,26880	28,30833	-0,01357	0,01357
8	CPIN	0,00060	5	0,51026	0,19093	30,14457	-0,09813	0,09813
9	CPRO	0,00001	3	64,05334	0,01099	29,59517	0,00336	0,00336

10	LPKR	0,00005	7	1,16818	0,07058	30,84466	-0,07239	0,07239
11	MNCN	0,07045	5	0,22800	0,13259	29,82390	0,04654	0,04654
12	SKYB	0,00007	2	3,58158	0,03049	27,67885	-0,12289	0,12289
13	SULI	0,01371	5	- 31,78133	-0,01213	27,98784	-0,14456	0,14456

2013

NO	Firm	GW_Impair	Bsize	Lev	CFSit	Political cost	DA	ABSOLUTE
1	ABBA	0,00242	5	1,62579	-0,00116	26,80817	0,19614	0,19614
2	ANTM	0,00025	6	0,70908	0,00798	30,71591	0,24623	0,24623
3	BHIT	0,00230	5	0,88752	0,03667	31,08887	-0,03576	0,03576
4	BKSL	0,03276	7	0,55028	0,00320	29,99806	0,23925	0,23925
5	BMTR	0,00347	4	0,57788	0,07798	30,67885	0,15535	0,15535
6	COWL	0,00001	3	0,64463	0,00650	28,29624	0,19360	0,19360
7	DART	0,00000	3	0,62930	-0,01993	29,19304	0,07916	0,07916
8	ISAT	0,00020	10	2,30078	0,15198	31,62961	0,30886	0,30886
9	LSIP	0,00056	8	0,20576	0,16573	29,70732	0,22872	0,22872
10	MAPI	0,00064	5	2,21609	0,01795	29,68621	0,22117	0,22117
11	MLPT	0,00132	4	1,81003	0,08201	27,85135	0,15378	0,15378
12	MYRX	0,00670	2	0,09317	-0,02219	29,30547	0,17014	0,17014
13	RODA	0,00076	3	0,59830	0,00961	28,64293	0,07922	0,07922
14	UNSP	0,00284	7	2,70138	0,00274	30,52224	0,09679	0,09679