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Research Article

INCREASING CUMULATIVE ABNORMAL RETURN WITH USE INFORMATION ACCOUNTING INCOME, COMPANY ASSETS AND AUDITOR OPINIONS

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Abstract

Introduction: The purpose of this study is to examine and examine accounting profit and loss, company assets and auditor opinion on the cumulative abnormal returns of companies listed on the Indonesia Stock Exchange. The data analysis method used is multiple linear regression analysis from secondary data with a population of banking companies listed on the Indonesian stock exchange in 2019-2020 and a sample size of 80 banks. **Results:** of this study are the variable accounting profit and auditor opinion do not have a significant effect on cumulative abnormal returns, while the company assets variable has a significant effect on the cumulative abnormal returns of banking companies listed on the Indonesia Stock Exchange. **Conclusion:** Cumulative abnormal returns can be increased by increasing the company's assets.

Keywords: Earnings persistence, Assets, Auditor's opinion, Cumulative abnormal return.

INTRODUCTION

In a state of global economic crisis that has an impact on the economy in Indonesia, namely a decrease in the company's net profit which causes the company's stock price to also decrease. A decrease in stock prices will cause a decline in stock returns. One of the functions of the capital market is as a means of mobilizing funds sourced from the public to various sectors that carry out investment. The main requirement that investors want to be willing to channel their funds through the capital market is a feeling of security on the investment and the rate of return that will be obtained from the investment. Among other things, this feeling of security is obtained because investors get clear, reasonable, and timely information as a basis for making their investment decisions. Return allows investors to compare the actual or expected returns provided by various investments at the desired rate of return. On the other hand, return also has a very significant role in determining the value of an investment (Ashig, 1994; Auntumn, 1994; Robert 1998). A rational and risk averse investor will always consider the risk and return that will be received from his investment. The greater the risk, the greater the return received. The description between the risk and return that will be received from a stock investment can be seen and known from the company's financial information, both qualitative and quantitative (Brown, 1968). In addition, various accurate considerations and analyzes need to be carried out by investors before buying, selling or holding stocks in order to achieve the expected optimal rate of return (Gantyowati, 2001). Information that is considered informative if the information is able to change the belief of the decision makers. The existence of a new information will form a new trust among investors. Information is said to have content if the market absorbs information quickly and is reflected in changes in stock prices.The company performance parameters that get the main attention from investors and creditors are profit, company or asset size and auditor's opinion. Financial report information is needed by investors, be it information that comes from internal companies and external information.

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External information on the company includes economic conditions, interest rates, government policies and domestic socio-political turmoil, while information that comes from internal companies can be obtained through financial reports. Financial reports provide a lot of useful information for interested parties. Financial statements as the main source of accounting information are prepared in order to meet the needs of users. The company's financial statements consist of balance sheets, income statements, changes in equity, cash flow reports and notes on financial statements. A potential investor usually makes investment decisions always focuses on financial statement information. As has been stated by (Stober, 1989) in Gantyowati, 2001; Zarowin Paul, 1990 states that price changes uniformly support the meaning that in accounting profit reporting contained in the income statement contains information. However, a potential investor, apart from looking at the profit factor, must also not leave observations on the cash flow statement, which shows cash flows into and out of operating, investing and financing activities. For a company cash is the life of the company because the cash owned by the company can carry out its economic activities, such as investing, financing, paying for financial obligations and paying dividends for shareholders. In addition, from the cash flow statement, it can be seen about liquidity and profitability. From this aspect, it can be said that cash flow information is very important for a potential investor. As stated in the Statement of Financial Accounting Standards (PSAK) No.2 paragraph 03 da 04 which states the benefits of cash flow, namely, first, it can provide information to evaluate changes in the company's net assets, financial structure and ability to influence the amount and timing of cash flows in adaptation to changes. and opportunities. Second, to assess the company's ability to generate cash and cash equivalents. Third, it can improve the comparability of reporting the operating performance of various companies. Fourth, it is used as an indicator of the amount of time and certainty of future cash flows. The fifth is to examine the accuracy of estimates of future cash flows, and determine the relationship between profitability and net cash flow, as well as the impact on changes in stock prices. The cash flow statement should be broken down into cash flow components from operating

activities, investing activities and financing activities. Distinguishing the components of cash flow is important because the classification by activity will provide information that enables report users to assess the effect of these activities on the company's financial position and on the amount of cash and cash equivalents. The cash flow statement is said to contain information if it causes capital market investors to sell or buy shares so that the share price changes. The capital market is an institution that deals with public offerings and securities trading, public companies that are related to securities. This reaction will then be reflected in the share price around the publication date. The information content of cash flows can be measured using the strength of the relationship between accounting variables (cash flow) and stock prices. Cash flow statement information can be used for decision making by investors. If the publication of a cash flow statement causes capital market investors to react to buying or selling shares which is subsequently reflected in the stock price, it means that the accounting variables contain information. The balance sheet which contains the state of the company's assets, liabilities and capital is also a component that is no less important than the income statement and cash flow statement. This statement of financial position is also one of the elements that determines the rise and fall of share prices. The increase in assets is also caused by an increase in share prices or an increase in debt, and vice versa if the assets decrease it is also caused by a decrease in share prices. Disclosure of financial statements, namely the use of accounting methods, principles, procedures and techniques also affects the numbers in financial reporting. This will also affect the company's stock price. The auditor's opinion is a statement of the opinion of a public accountant or external auditor on the company's financial statements regarding the fairness of the presentation of financial statements and the use of accounting methods, whether it is in accordance with generally accepted financial accounting standards or not, consistency in the use of accounting methods or the need for disclosure of the use of accounting methods. . Banking financial reports consist of statements of profit and loss, balance sheets, asset quality and other information, reports of commitments and contingencies, calculations of minimum capital liabilities, spot and derivative transactions, allowance for losses, and calculation of financial ratios. Although in a state of crisis in the world in the last few years, the financial position of banking companies has shown a pleasant figure, which has increased compared to previous years.

METHODS

This research is applied research and explanatory research which explains the effect of the Independent variable, namely audited financial statements (profit / loss, balance sheet, auditor opinion) on the dependent variable, namely Cumulative Abnormal Return (CAR) in banking companies listed on the Jakarta Stock Exchange. As the independent variable in this study is the persistence of earnings (X1), changes in company size (X2), Auditor Opinion (X3). The empirical research model is as follows:

CAR = ∑ AR it.
CARi, t = α 0 + ß1 Earnings Persistence + ß2Δ Firm Size + ß3 Auditor's Opinion + e
with;
CARit = Cumulative abnormal return for company i in year t.
PL = earnings persistence

The population of this study is all banking companies listed on the JSE in 2018-2019. Sampling was done by using purposive sample method, where the samples taken have been selected deliberately based on certain considerations.

From the population used, a number that meets the following criteria will be taken:

1. The activities of a listed company at PT. Indonesia Stock Exchange during the period 2018-2019
2. The company's shares are actively traded during 2018-2019
3. The company shows net income for two accounting periods, namely the net income statement for 2018-2019.
4. Data audited financial statements, namely independent auditor reports, income statements,
1. Balance sheet, notes on the financial statements of 2019.
5. Shares closing price 1 day before and 1 day after the issuance of the 2019 Financial Statements.

1. Shows that there is data regarding the company's JCI during 2018 and 2019.

Based on the above criteria, 40 banking companies were included in the sample of this study. This research was conducted using secondary data, namely data collected, processed and presented by other parties. In this study, data sourced from the Indonesia Stock Exchange (BEI) in the form of financial reports published via the Internet www. idx. co. id which presents annual reports from 2018 - 2019 from banking companies selected as research samples.

RESULTS AND DISCUSSION

Residual Normality

The regression model residual normality test can be detected by looking at the residual abnormality of the regression model between the independent variable (X) and the response variable (Y). In this case, the test can be carried out with the Kolmogorov – Smirnov test. The Kolmogorov – Smirnov test is a Goodness of Fit test based on the Chi-Square with a maximum value of 1 and a minimum value of 0. The results of the residual normality test can be seen in table 3 and can be summarized in the following table:

Table 1. Result Test Normality

	Nilai
Nilai Kolmogorov-Smirnov	1,180
Asymp. Sig (p-value)	0,124

Result output SPSS below:

One-Sample Kolmogorov-Smirnov Test

		Residual
N		30
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	.15851576
Most Extreme Differences	Absolute	.215
	Positive	.215
	Negative	-.123
Kolmogorov-Smirnov Z		1.180
Asymp. Sig. (2-tailed)		.124

a. Test distribution is Normal.

b. Calculated from data.

From the table results above the Asymp value. Sig (p-value) is greater than α = 5%, so it can be concluded that the model residuals are spread normally (assumptions are met).

Multicollinearity

The multicollinearity problem is indicated by the value of the VIF (variance inflation factor). If the VIF value does not exceed the number 10, it can be concluded that there is no multicollinearity between variables. From the multicollinearity test results using the VIF value as presented in the table below, it can be concluded that there is no multicollinearity problem in the regression model because the VIF value does not exceed the number 10. The multicollinearity test results can be seen in Appendix 4 and can be summarized in the following table :

Table 2. Result test Multikolinieritas

Variable	VIF
X_1	2,197
X_2	2,221
X_3	1,152

Source : Secondary data

Result output SPSS below:

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.023	.053		.427	.673		
	X1_Persistensi_Laba	-2.4E-013	.000	-.466	-1.945	.063	.455	2.197
	X2_Aktiva	9.32E-015	.000	.691	2.868	.008	.450	2.221
	X3_Opini_Auditor	.096	.070	.239	1.375	.181	.868	1.152

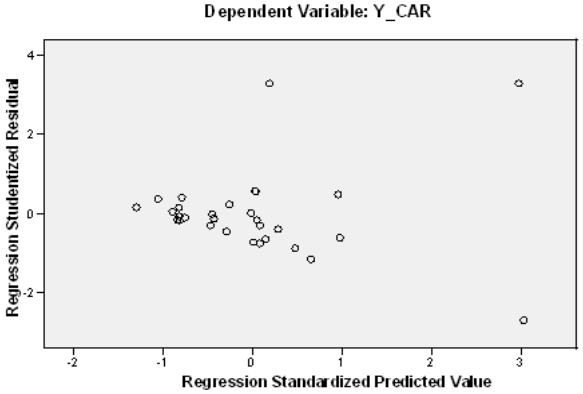
a. Dependent Variable: Y_CAR

The absence of multicollinearity is reinforced by the results of the calculation of the VIF value showing that no one independent variable has a VIF value of more than 10.

Heteroscedasticity

The dots spread over and below the number 0 on the Y axis randomly, so there is no heteroscedasticity or homoscedastic model.

The results of the SPSS output are as follows:



From the results of plotting the graph above, it can be seen that there is no clear pattern, and the dots are randomly spread above and below the Y-axis 0, so there is no heteroscedasticity or homoscedastic regression model.

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.565[a]	.320	.241	.1674113	1.989

a. Predictors: (Constant), X3_Opini_Auditor, X1_Persiste Aktiva

b. Dependent Variable: Y_CAR

Autocorrelation

The autocorrelation test is to see whether there is a correlation between a period t and the previous period (t -1).

The SPSS results for the Durbin Watson (DW) test are as follows:

The test results show that the Durbin Watson (DW) value is 1.989. The dU value in the Durbin Watson statistical table (number of observations is 30, independent variable 3) is 1.650. Value (4-dU) = (4-1,650) = 2.35. So dU <DW <(4-dU) then Accept H0 or No positive or negative autocorrelation.

So it can be concluded that the non-autocorrelation assumptions in the regression have been fulfilled.

Multiple Linear Regression Results

The results of multiple regression analysis carried out with the help of SPSS 15 software can be seen in Appendix 3 and can be seen in the following table:

Table 3. Result Process Data

Independent variable	Unstandardized Coefficients B	Partial Correlations	t count	Probability (Sig.)
Constanta	0,023		0,427	0,673
Persistency earning (X_1)	-2,4 x 10^{-13}	-0,356	-1,945	0,063
Assets (X_2)	9,32 x 10^{-15}	0,490	2,868	0,008
Auditor opinion (X_3)	0,096	0,260	1,375	0,181
R^2	0,320			
R	0,565			
F-hitung	4,074			
F-tabel (3;26)	2,975			
Sig. F	0,017			
| t-tabel (26) |	2,056			

Source : Primary data

From the results of the analysis of the table above, the regression equation is as follows:

CAR (Y) = 0.023 - 2.4 x 10-13 Earnings Persistence (X1) + 9.32 x 10-15 Assets (X2) * + 0.096 Auditor Opinion (X3). The Auditor Opinion Variable (X3) is a dummy variable using 2

categories measured by number 1 for "unqualified opinion" (called the included group) and number 0 for "other opinion", namely unqualified opinion, unfair opinion and disclaimer opinion. (rejection of giving an opinion due to the limitation of the audit scope by the client) is called an excluded group. "Other opinions" (excluded group) which we will use as a reference to compare with "Unqualified opinions" (called the included group). Therefore, in all interpretations must be compared against "Other opinions". The regression model constant of 0.023 shows the average CAR for banks whose auditor opinion tends to choose "Other opinions" of 0.023. Meanwhile, banks whose auditor opinion tends to choose "unqualified opinion" have an average CAR value of 0.119 (0.023 + 0.096), where the value of 0.096 is the coefficient value of the Auditor Opinion variable (X3).

Simultaneous Regression Testing (Test F)

The table of the results of the regression analysis above explains that the variables of Earnings Persistence (X1), Assets (X2) and Auditor Opinion (X3) have a simultaneous effect on CAR (Y) as shown by F count of 4.074 and F table (3; 26) of 2,975 (F count> F table so that the regression model is said to be significant). This result is in line with the probability value (significance) of 0.017 which is smaller than the value of α = 0.05 (p <0.05).

Partial Regression Testing (t test)

a. The Profit Persistence variable (X1) has a β1 coefficient of -2.4 x 10-13 with a probability (p) of 0.063, whose value is greater than the value of α = 0.05 (p> 0.05) so that Ha is rejected and Ho is accepted (no significant). These results are consistent with the results of the t-test, where | t-count | of 1,945 <| t-table | amounting to 2.056 (not significant). So the Earnings Persistence variable (X1) does not have a significant effect on the CAR (Y) variable at α = 5%.
b. Asset variable (X2) has a β2 coefficient of 9.32 x 10-15 with a probability (p) of 0.008 which is smaller than the value of α = 0.05 (p <0.05) so that Ha is accepted and Ho is rejected. These results are consistent with the results of the t-test, where | t-count | amounting to 2,868> | t-table | amounting to 2.056 (significant). So the Asset variable (X2) has a significant influence on the CAR (Y) variable at α = 5%. In other words, if the asset value (X2) increases by Rp. 1015 then the amount of CAR (Y) will increase by 9.32. Or if the asset value (X2) increases by Rp. 1012, the amount of CAR (Y) will increase by 0.00932.
c. The Auditor Opinion variable (X3) has a coefficient of β3 of 0.096 with a probability (p) of 0.181 whose value is greater than the value of α = 0.05 (p> 0.05) so that Ha is rejected and Ho is accepted. These results are consistent with the results of the t-test, where | t-count | of 1.375 <| t-table | amounting to 2.056 (not significant). So the Auditor Opinion variable (X3) does not have a significant effect on the CAR (Y) variable.

Testing the Determination Coefficient (R2).

After testing the model, the next step is to calculate the correlation to measure the accuracy of the regression line in explaining the variation in the value of the independent variable. The results of the correlation analysis obtained from the regression output (attachment) correlate the effect represented by the Earnings Persistence Variable (X1), Assets (X2) and Auditor Opinion (X3) on CAR (Y), the value of R2 = 0.320. This figure shows that the variation in the CAR value which can be explained by the regression equation obtained is 32% while the remaining 68% is explained by other variables outside the model equation. R of 0.565 means that the influence of the Profit Persistence Variable (X1), Assets (X2) and Auditor Opinion (X3) on CAR (Y) is quite strong (> 0.5).

Testing the variable that has the most dominant influence

To find out the most dominant variable affecting CAR (Y), it can be seen from the partial correlation value of each variable with CAR (Y). From the SPSS output above, it can be seen that the highest partial correlation value occurs between Assets (X2) and CAR (Y), which is 0.490. So it can be concluded that in this study, assets (X2) are the most dominant variable in influencing CAR (Y).

CONCLUSION

The conclusions of this study are as follows:

1. Earnings persistence has no significant effect on cumulative abnormal return.
2. The size of the company or assets has a significant effect on cumulative abnormal return.
3. Opnini auditor has no significant effect on cumulative abnormal return.
4. Simultaneously or simultaneously, earnings persistence, firm size and auditor opinion have a significant effect on cumulative abnormal return.
5. Company assets have the most dominant influence on cumulative abnormal return.

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