The Relationship between Ownership Structure and Accounting Conservatism in Manufacturing Sector Companies Listed on Indonesia Stock Exchange

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Abstract
Majority of Indonesian companies are family firms. Previous studies report that family firms have type II agency problem. Conservatism, as one proxy of financial reporting quality, facilitates the efficiency of the principal-agent contract. This study aims to examine the relationship of ownership structure and accounting conservatism. In this study, the population is all companies in manufacturing sector and listed on the Indonesia Stock Exchange (BEI) period 2011 - 2013. Analysis of data uses panel data and the best model is showed by fixed effect regression, rather than random effect and ordinary least square. The results of this study show that (1) there is a positive relationship between the largest shareholder or controlling shareholder and accounting conservatism; (2) there is a positive relationship between the family as the largest shareholder as well as the controlling shareholder and accounting conservatism; (3) there was no correlation between non-family as the largest shareholder and accounting conservatism, but there is a negative relationship when nonfamily become the controlling shareholder and accounting conservatism; (4) other blockholder presence was not related significantly to reduce the largest shareholder preferences regarding accounting conservatism on the whole sample or sub-sample of non-family, but there is a negative relationship in the sub-sample when the family became the largest shareholder.
Keywords*: family ownership, non - family ownership, controlling shareholder, blockholder, accounting conservatism, agency theory*

1. Introduction

Conservatism is one important characteristic of accounting information in more than 500 years (Basu, 1997). Conservatism is an attempt to choose accounting methods that will generate revenue recognition as slowly as possible, expenses are recognized as soon as possible, a lower valuation of the assets and higher liabilities valuation (Wolk and Tearney, 1997). By adopting this principle, overstated income/assets or understated expenses/liabilities can be avoided.

Accounting conservatism can be used as a tool to reduce information asymmetry between managers and owners of the company, thus it reduce agency costs. Conservative financial information provides better protection for shareholders and corporate value (Lafond & Rowchowdhury, 2008).

Conservatism as a facility that can improve the efficiency of the contract between the principal - agent, highly influenced by whom and how many the owner (principal) of the the company. Several studies have been conducted to

examine the relationship between ownership and accounting conservatism. Lafond and Roychowdhury (2008) as well as the Cullinan, Wang, Zhang (2012) found an relationship between ownership structure and accounting conservatism.

Most companies in Indonesia is dominated by family (Arifin, 2003). Claessens et al. (1999) mentions in his study based on data from 1996, the company listed in Indonesia Stock Exchange controlled by a family with a percentage of 71.5%. Family firms also have severe agency problems so that interesting to be researched. Arifin (2003) explains that the agency problem in the company of family ownership is lower than the agency problem in the company controlled by the public or company that does not have a controlling shareholder. It supported by Ali et al. (2007) that suggested the companies controlled by non family suffered more severe agency problem than the companies controlled by the family. The difference of agency problems in the two types of ownership would affect the application of accounting conservatism in the company.

Therefore, this study examines the relationship family and non-family ownership to the level of accounting conservatism in the manufacturing industry sector company in Indonesia. This study also examine whether shareholding above a certain percentage threshold may influence the level of accounting conservatism. In addition, this study also aimed to find out whether the presence of the other majority shareholder (blockholder) may affect relationship between the largest shareholder and accounting conservatism.

2. Literature Review and Hypothesis Development

2.1. Largest Shareholder and Accounting Conservatism

Company operation will be strongly influenced by the largest shareholder (whether it family or non-family) and its position against the other shareholders. The larger shareholder ownership in the firm, the greater the influence held by such shareholder. Significant influence gives the ability to shareholders to elect the board the directors he wants because the directors are representation of shareholders in the firm. The shareholders will have capacity and incentive to influence the composition of management and have a direct effect on the promotion and dismissal of manager. Thus, the management will easily follow the instructions of the largest shareholders (whether it family or non-family) to get higher compensation. Higher percentage ownership of the largest shareholder will make it easier to perform actions that only benefit themselves, thus there is high probability that the prefereed action against the interests of minority shareholders. This leads to the expropriation (Claessens and Djankov, 1999). To prevent outsiders realize and find expropriation actions undertaken by the largest shareholders together with management, the largest shareholder may encourage managers to present a more favorable financial reports that the financial statements are more quickly in recognizing profits than losses. Actions like-this is what causes the level of accounting conservatism decreases as described in the the following hypothesis:

H1: Accounting conservatism is negatively associated with ownership of the largest shareholder.

H1a: Accounting conservatism is negatively associated with ownership of family as the largest shareholder.

H1a: Accounting conservatism is negatively associatied with ownership of non-family as the largest shareholder.

2.2. Controlling Shareholder and Accounting Conservatism

Some large shareholders may have sufficient shares to effectively exercise control over the firm. Shareholders do not necessarily have a majority of company shares to effectively exercise control. The owner of less than 50% of the voting rights can take control if they are the single largest shareholder and other shareholders are much smaller. Cao, Li, and Sun (2005) points out the difference between control right and ownership; they argued that large shareholders may have the control right over their cash flow rights when the proportion of their ownership exceeds a certain threshold. LaPorta et al. (1999) noted that owns 10% of the voting rights may provide the owner with "a significant threshold of votes" (LaPorta et al., 1999, p.475), Hughes (2005) showed that the controlling shareholders (family or non-family) can affect corporate operational objectives, strategies and behavior management. Controlling shareholders (both family and non-family) have the ability to influence the reporting process and potentially use accounting information to seek personal benefit. If the firm has controlling shareholder, it will negatively relates as described in the following hypothesis:

H2: Accounting conservatism is negatively associated with the existence of controlling shareholders.

H2a: Accounting conservatism is negatively associated with the existence of the family as controlling shareholders.

H2b: Accounting conservatism is negatively associated with the existence of non-family as controlling shareholders.

2.3. Blockholder and Accounting Conservatism

Expropriation conducted by shareholders who have control rights (whether it family or non-family) would lead to increased agency costs arising from agency problems of type 2. Minority shareholders will spend more monitoring cost. If there are others large shareholders, they are able to offset the single largest shareholder control to reduce agency costs and protect the value of firm. They have incentive and ability to monitor the behavior of management because they have a material investment in the firm. Large shareholders have a greater incentive that can not easily get out of the company if the company suffered losses. When large shareholders sell their shares, the company's stock price will fall due to the large number of shares to be sold. The presence of other blockholders can effectively limit the ability of largest shareholders to have too much influence, control the firm and transfer of resources from the firm to him. This condition develops the following hypothesis:

H3: The existence of other blockholder will reduce the negative relationship between ownership percentage of the largest shareholder and accounting conservatism.

H3a: The existence of other blockholder in firm where family as the largest shareholder will reduce the negative relationship between ownership percentage of the largest shareholder and accounting conservatism.

H3b: The existence of other blockholder in firm where non family as the largest shareholder will reduce the negative relationship between ownership percentage of the largest shareholder and accounting conservatism.

3. Research Design

To examine the relationship between ownership structure and accounting conservatism, we use a sample of manufacturing sector companies listed in Indonesia Stock Exchange. Data were gathered from the period 2011 - 2013. The following criteria are used to select the sample. First, the company has been listed on at least 1 year prior the study period. Second, the company has a complete set of financial statements during the period of study. Third, its financial statement has year ended on December 31. Fourth, its financial statements denominated in rupiahs. The data sources are from companies' financial statements, annual report, Fact Book and Indonesian Corporate Market Directory (ICMD).

3.1. Measuring Accounting Conservatism

We use the following spesification of earning - return reverse regression model as the proxy for accounting conservatism (Basu, 1997):

$$NI_{i,t} = \alpha_0 + \beta_1 DR_{i,t} + \beta_2 R_{i,t} + \beta_3 R_{i,t} * DR_{i,t}$$

where $NI_{i,t}$ represents average earnings per share of firm i in period t-1 and period t divided by the average price per share of firm i in period t-1 and period t. $R_{i,t}$ is the buy and hold return from the beginning of fourth month in fiscal year t to the end of the third month in the next year and cumulated over the period t - 1 to t; $DR_{i,t}$ is an indicator variable equal to one if $R_{i,t}$ is negative. In the model, β_2 represents the extent to which the annual earnings reflect "good news", and (β_1 + β_3) the extent to which the annual earnings reflect "bad news". The coefficient of interactive term, β_3 measures the timing asymmetry associates with the recognition of "good news"and "bad news" in the reporting earning. β_3 thus measures accounting conservatism.

3.2. Proxies for explanatory variables

Ownership concentration degree (OWNCON) is the principal variable used to assess H1. OWNCON is the mean percentage of the shares held by the largest single shareholder from t - 1 to t. The larger the number of shares held by the largest shareholder, the more likely the shareholder can exercise influence over the organization.The largest would then have the ability to induce management to serve the largest shareholders' interests, potentially to the disadvantage of smaller shareholders. H1 predicts a negative relationship between OWNCON and accounting conservatism.

CONTROL is a series of binary variables developed from the percentage of shares owned by the largest shareholder. Based on differing perspectives in the literature, we use various measures of what percentage ownership might constitute control. Consistent with LaPorta et al. (1999), we consider 20%, 30%, and 50% minimum thresholds for the percentage of ownership that would give the shareholder control. We also test a 75% share ownership threshold to define

control. If the percentage ownership of the largest shareholder exceeds the threshold, the CONTROL variable is coded as 1. If the percentage of share held by the largest shareholder is below the threshold, CONTROL is coded as 0. We use the CONTROL variable to test H2.

Ownership constraints (BLOCK) are used to test H3. It is a dummy variable based on the total percentage of shares held by the second to the fifth largest shareholders. If the percentage of shares held by the second to the fifth largest shareholders exceeds the percentage of shares held by the first largest shareholder, the BLOCK is set to 1, and otherwise is 0.

3.3. Control variables

To ensure our results are reliable and avoid the potential bias associated with omitted variables, we measure and include in our models three control variables: (1) financial leverage, (2) firm size and (3) market - to - book ratio. Financial leverage (FINLEV) is defined as the mean value of total liabilities divided by total assets. Firm size (LnSize) is defined as the mean natural logarithm of the book value of total assets in the firm from period t-1 to t. Market-to-book ratio (MBV) is defined as the market capitalization divided by book value of equity.

3.4. Estimation Techniques

In this study, the researchers first looked which best estimation technique (Ordinary Least Square / Fixed Effect Model / Random Effect Model) to perform multiple linear regression analysis. The first phase which compare models ordinary least square (OLS) with a fixed effect model (FEM).

H_0: fixed effect model is similar with the pooled OLS model
H_a: fixed effect model is better than the pooled OLS models

Ghozali (2013) stated that if the value of F is significant, the fixed effect model is better than the pooled OLS models, or in other words the fixed effect model provides significant value added compared to the pooled OLS.

Ghozali (2013) states that we can choose between Fixed Effect Model (FEM) and Random Effects Model (REM) with the Hausman test (1978). The null hypothesis of Hausman test is that the estimator FEM and REM does not differ significantly. Hausman test statistic using distribution Chi-square. If the null hypothesis is rejected, REM models may produce biased estimator that violate the assumption of Gauss-Markov, therefore FEM models is more appropriate.

Based on the likelihood ratio test and Hausman test that have been done on the regression model hypothesis 1, hypothesis 2, hypothesis 3 can be concluded that the recommended estimation technique is the fixed effect model (FEM). Thus the regression analysis on each hypothesis will be done using a fixed effect model and discussion of the results in the next section will be based on the results of the regression using a fixed effect model.

3.4. Empirical Model

This model to test the hypothesis 1:

$$\mathbf{NIi} = \boldsymbol{\beta_0} + \boldsymbol{\beta_1}DR_i + \boldsymbol{\beta_2}R_i + \boldsymbol{\beta_3}(R_i \times DR_i) + \boldsymbol{\beta_4}OWNCON_i + \boldsymbol{\beta_5}(OWNCON_i \times R_i) + \boldsymbol{\beta_6}(OWNCON_i \times DR_i) + \boldsymbol{\beta_7}(OWNCON_i \times R_i \times DR_i) + \boldsymbol{\beta_8}FINLEV_i + \boldsymbol{\beta_9}(FINLEV_i \times R_i) + \boldsymbol{\beta_{10}}(FINLEV_i \times DR_i) + \boldsymbol{\beta_{11}}(FINLEV_i \times R_i \times DR_i) + \boldsymbol{\beta_{12}}LnAsset_i + \boldsymbol{\beta_{13}}(LnAsset_i \times R_i) + \boldsymbol{\beta_{14}}(LnAsset_i \times DR_i) + \boldsymbol{\beta_{15}}(LnAsset_i \times R_i$$

$\times DR_i) + \beta_{16}MBV_i + \beta_{17}(MBV_i \times R_i) + \beta_{18}(MBV_i \times DR_i) + \beta_{19}(MBV_i \times R_i \times DR_i) + \varepsilon_i$

where NI_{it} represents average earnings per share of firm i in period t-1 and period t divided by the average price per share of firm i in period t-1 and period t. $R_{i,t}$ is the buy and hold return from the beginning of fourth month in fiscal year t to the end of the third month in the next year and cumulated over the period t-1 to t; $DR_{i,t}$ is an indicator variable equal to one if $R_{i,t}$ is negative. $OWNCON_i$ is the mean percentage of the shares held by the largest single shareholder from t-1 to t (when we test hypothesis 1a, we used $OWNCONFAM_i$ variable and $OWNCONNONFAM_i$ when we test hypothesis 1b). $FINLEV_i$ represents the average debt-to-asset ratio from period t-1 to t; $LnAsset_i$ is the natural logarithm of the average total assets as the proxy for firm size from period t-1 to t; and MBV_i is the average Market to Book Value of Equity from period t-1 to t.

This model to test the hypothesis 2:

$$\mathbf{NI_i} = \beta_0 + \beta_1 DR_i + \beta_2 R_i + \beta_3(R_i \times DR_i) + \beta_4 CONTROL_i + \beta_5 (CONTROL_i \times R_i) + \beta_6 (CONTROL_i \times DR_i) + \beta_7 (CONTROL_i \times R_i \times DR_i) + \beta_8 FINLEV_i + \beta_9(FINLEV_i \times R_i) + \beta_{10}(FINLEV_i \times DR_i) + \beta_{11}(FINLEV_i \times R_i \times DR_i) + \beta_{12} LnAsset_i + \beta_{13}(LnAsset_i \times R_i) + \beta_{14}(LnAsset_i \times DR_i) + \beta_{15}(LnAsset_i \times R_i \times DR_i) + \beta_{16} MBV_i + \beta_{17}(MBV_i \times R_i) + \beta_{18}(MBV_i \times DR_i) + \beta_{19}(MBV_i \times R_i \times DR_i) + \varepsilon_i$$

where $CONTROL_i$ is a series of binary variables developed from the percentage of shares owned by the largest shareholder. If the percentage ownership of the largest shareholder exceeds the threshold (20%, 30%, 50%, 75%), $CONTROL_i$ is coded as 1. If the percentage of share held by the largest shareholder is below the threshold, $CONTROL_i$ is coded as 0. When we test hypothesis 1a, we used $CONTROLFAM_i$ variable and $CONTROLNONFAM_i$ when we test hypothesis 1b.

This model to test the hypothesis 3:

$$\mathbf{NI_i} = \beta_0 + \beta_1 DR_i + \beta_2 R_i + \beta_3(R_i \times DR_i) + \beta_4 OWNCON_i + \beta_5(OWNCON_i \times R_i) + \beta_6(OWNCON_i \times DR_i) + \beta_7(OWNCON_i \times R_i \times DR_i) + \beta_8 BLOCK_i + \beta_9(BLOCK_i \times R_i) + \beta_{10}(BLOCK_i \times DR_i) + \beta_{11}(BLOCK_i \times R_i \times DR_i) + \beta_{12}(OWNCON_i \times BLOCK_i) + \beta_{13}(OWNCON_i \times BLOCK_i \times R_i) + \beta_{14}(OWNCON_i \times BLOCK_i \times DR_i) + \beta_{15}(OWNCON_i \times BLOCK_i \times R_i \times DR_i) + \beta_{16} FINLEV_i + \beta_{17}(FINLEV_i \times R_i) + \beta_{18}(FINLEV_i \times DR_i) + \beta_{19}(FINLEV_i \times R_i \times DR_i) + \beta_{20} LnAsset_i + \beta_{21}(LnAsset_i \times R_i) + \beta_{22}(LnAsset_i \times DR_i) + \beta_{23}(LnAsset_i \times R_i \times DR_i) + \beta_{24} MBV_i + \beta_{25}(MBV_i \times R_i) + \beta_{26}(MBV_i \times DR_i) + \beta_{27}(MBV_i \times R_i \times DR_i) + \varepsilon_i$$

Where $BLOCK_i$ is a dummy variable, if the percentage of shares held by the second to the fifth largest shareholders exceeds the percentage of shares held by the first largest shareholder, the $BLOCK_i$ is set to 1, otherwise $BLOCK_i$ is coded as 0.

4. Empirical Analysis

4.1. Largest Shareholders and Accounting Conservatism

The result of hypothesis 1 regression test is presented on table 1.

Table 1. Results of Hypothesis 1, 1a, and 1b

	H1	H1a	H1b
Variable	**All Sample**	**Sub Sample Family**	**Sub Sample Non Family**
C	1.782261**	2.038236*	0.190845
DR_i	0.144738	-2.601901*	-1.088855
R_i	-0.243916	-0.345945	-0.22871
R_i x DR_i	6.663038*	-5.621458	-5.597588
$OWNCON_i$	-0.078751	0.226326	0.415808
$OWNCON_i$ x R_i	0.113836	0.1037	0.343313
$OWNCON_i$ x DR_i	0.901792**	2.517153**	0.653702
$OWNCON_i$ x R_i x DR_i	4.809833**	13.01928***	-
$FINLEV_i$	-0.809129***	-1.048643***	0.062883
$FINLEV_i$ x R_i	0.784339***	0.932396**	0.304811
$FINLEV_i$ x DR_i	0.83645***	1.105277***	1.018368
$FINLEV_i$ x R_i x DR_i	10.07848***	11.54755***	9.750148
$LNASSET_i$	-0.385184	-0.475263	-0.166724
$LNASSET_i$ x R_i	-0.094802	-0.103493	-0.022258
$LNASSET_i$ x DR_i	-0.257919	0.04952	0.041764
$LNASSET_i$ x R_i x DR_i	-4.114143***	-3.283377**	-
MBV_i	0.000501	-0.00271	0.018575
MBV_i x R_i	0.000844	0.005	-0.03721
MBV_i x DR_i	-0.130388	-0.017789	-0.160999
MBV_i x R_i x DR_i	-0.578466	0.433237	-0.512051

***sig at level 1%
**sig at level 5%
*sig at level 10%
Source : EViews 8, diolah

The first hypothesis testing conducted by analyzing the sign and significance of the coefficients $OWNCON_i$ * R_i * DR_i. This variable is a variable that shows the relationship of ownership concentration and the level of conservatism. Hypotheses 1 predicted that the coefficient of $OWNCON_i$ * R_i * DR_i is negative. This means that the larger concentration of ownership of the largest shareholder, the level of accounting conservatism applied by the company will be smaller. However, the table 1 shows that this variable has a positive significant coefficient. In other words, the higher concentration of ownership, the higher level of accounting conservatism applied. Thus, the first hypothesis which states that accounting conservatism negatively related to the largest shareholder rejected because the results of hypothesis testing 1 shows that accounting conservatism is positively related to largest shareholder.

Hypothesis testing of 1a is conducted by analyzing the sign and significance of the coefficients $OWNCONFAM_i$ * R_i * DR_i. This variable is a variable that shows association of family as the largest shareholder of a company and the level of accounting conservatism. According to H1a, the coefficient $OWNCONFAM_i$ * R_i * DR_i is expected a negative coefficient. This means that the larger ownership percentage of the family as largest shareholder, the level of

accounting conservatism applied by the company will be smaller. However, the table 1 shows that this variable has a positive significant coefficient, which is the opposite of expectations. In other words, the higher ownership percentage of the family as the largest shareholder, the higher level of accounting conservatism applied. Thus, hypothesis 1a is rejected.

Hypothesis testing 1b is conducted by analyzing the sign and significance of the coefficients $OWNCONNONFAM_i * R_i * DR_i$. This coefficient shows relationship of non-family as largest shareholder of the company and the level of conservatism. The expectation of H1b is negative coeeficient of $OWNCONNONFAM_i * R_i * DR_i$. However, this variable is excluded by software data processing program because variable $OWNCONNONFAM_i * R_i * DR_i$ has many value 0, i.e. 84.21% of total sub-sample non-family. Thus, majority companies that have non-family as the largest shareholder show positive return, so that the value of DR_i variable is 0. When the excluded variables are analyzed further, the coefficient of $OWNCONNONFAM_i * R_i * DR_i$ is not significant with p-value 0.678. Therefore, hypothesis 1b which states that accounting conservatism negatively related to non-family as the largest shareholder rejected.

4.2. Controlling Shareholders and Accounting Conservatism

The hypothesis 2 is examined under 3 level of ownership of controlling, i.e. 20%, 30%, 50%.

Table 2. Results of Hypothesis 2 with threshold 20%, 30%, and 50%

	H2		
Variable	**20%**	**30%**	**50%**
C	1.42873*	1.651075**	1.602956**
DR_i	0.788538	0.571817	0.422315
R_i	-0.10309	0.073031	-0.121994
R_i x DR_i	11.25176	6.674867	8.647543***
$CONTROL_i$	0.215214	0.321058**	0.014711
$CONTROL_i$ x R_i	-0.053092	-0.185128	0.119715
$CONTROL_i$ x DR_i	-0.054213	0.05919	0.67562***
$CONTROL_i$ x R_i x DR_i	-0.942818	2.117887*	3.41518***
$FiNLEV_i$	-0.756334***	-0.710586***	-0.758668***
$FiNLEV_i$ x R_i	0.749745**	0.85708***	0.768766***
$FiNLEV_i$ x DR_i	0.642494***	0.637337***	1.001583***
$FiNLEV_i$ x R_i x DR_i	8.754643***	8.553195***	11.42813***
$LNASSET_i$	-0.355252	-0.450039*	-0.356503
$LNASSET_i$ x R_i	-0.103763	-0.147651*	-0.124226
$LNASSET_i$ x DR_i	-0.303609	-0.259143	-0.313575*
$LNASSET_i$ x R_i x DR_i	-4.531638***	-3.809403***	-4.642032***
MBV_i	-0.004021	-0.004534	0.004579
MBV_i x R_i	0.00672	0.007793	-0.003962
MBV_i x DR_i	-0.052255	-0.082702	-0.127097
MBV_i x R_i x DR_i	0.12626	-0.166497	-0.579575

***sig at level 1%

**sig at level 5%
*sig at level 10%
Source : EViews 8, diolah

After doing regression separately for each threshold, it was found that a significant relationship between accounting conservatism and the existence of a controlling shareholder occur at the level of 50%. Level of control 20% and 30% showed no significant results, because the p-value is greater than 0.05. Additional test is done on control level of 75%, but the results showed no significant relationship at level 5%. The table 2 shows that the coefficients of variable $CONTROL50_i * R_i * DR_i$ is positive, which is the opposite of the expected sign on the hypothesis 2. Thus, hypothesis 2 is rejected.

The results of hypothesis 2a under 3 level of ownership, i.e 20%, 30%, and 50% are illustrated on Table 3.

Table 3. Results of Hypothesis 2a with threshold 20%, 30%, and 50%

	H2a		
Variable	**20%**	**30%**	**50%**
C	1.669959**	1.774562**	1.942277**
DR_i	0.634206	0.536609	0.623336
R_i	0.064144	-0.019062	-0.057816
R_i x DR_i	6.897485*	7.10536*	8.057485**
$CONTROLFAM_i$	-	0.026995	-
$CONTROLFAM_i$ x R_i	-0.252365	-0.190429	-0.135682
$CONTROLFAM_i$ x DR_i	0.089048	0.095231	0.046734
$CONTROLFAM_i$ x R_i x DR_i	3.786086**	3.977765**	3.053582**
$FINLEV_i$	-0.94111***	-0.990988***	-0.971368***
$FINLEV_i$ x R_i	0.846224***	0.863775***	0.851586***
$FINLEV_i$ x DR_i	0.661211***	0.695894***	0.7***
$FINLEV_i$ x R_i x DR_i	8.8359***	8.973751***	8.983501***
$LNASSET_i$	-0.337545	-0.371133	-0.420606*
$LNASSET_i$ x R_i	-0.113596	-0.109757	-0.113252
$LNASSET_i$ x DR_i	-0.308852*	-0.288823	-0.300871
$LNASSET_i$ x R_i x DR_i	-4.74951***	-4.933148***	-4.877685***
MBV_i	-0.00513	-0.004615	-0.004275
MBV_i x R_i	0.008234	0.007502	0.007095
MBV_i x DR_i	-0.018725	-0.006763	-0.022097
MBV_i x R_i x DR_i	0.575057	0.725534	0.5397

***sig at level 1%
**sig at level 5%
*sig at level 10%

The significant positive relationship between accounting conservatism and the existence of the family as the controlling shareholder only occurs at the level of control 30%. While for level of control 20% and 50%, it will display an error message box with the inscription near singular matrix. Additional test was done by ordinal regression, the regression still can be performed with one variable must be removed from the model, i.e. CONTROLFAM, as shown on the table 3. After

this variable is removed (as recommended by the software SPSS), then we find that the level ownership of 20% and 50% showed a significant positive correlation. Additional test is done at the level of control 75%, but the results showed no significant relationship at level significancy 5%. The table 3 shows that the coefficients generated by variable $CONTROLFAM30_i * R_i * DR_i$ is positive sign which is means the opposite of the expected sign on the hypothesis 2a. Thus, the hypothesis 2a which states that accounting conservatism negatively related to the the existence of the family as the controlling shareholder rejected.

The results of hypothesis 2b regression, which is non-family become controlling shareholders, at 3 level of ownership (20%, 30%, 50%) are shown on table 4 below.

Table 4. Results of Hypothesis 2b with threshold 20%, 30%, and 50%

	H2b		
Variable	**20%**	**30%**	**50%**
C	1.705441**	1.62514**	1.942277**
DR_i	0.50557	0.845781	0.67007
R_i	-0.065175	0.065843	-0.193498
R_i x DR_i	8.961569***	10.46182**	11.11107***
$CONTROLNONFAM_i$	0.04981	0.001311	-
$CONTROLNONFAM_i$ x R_i	-0.078296	-0.125324	0.135682
$CONTROLNONFAM_i$ x DR_i	-0.418555**	-0.092028	-0.046734
$CONTROLNONFAM_i$ x R_i x DR_i	-3.734145***	-0.772126	-3.053582**
$FINLEV_i$	-0.874302***	-0.86196***	-0.971368***
$FINLEV_i$ x R_i	0.79642***	0.798705***	0.851586***
$FINLEV_i$ x DR_i	1.19113***	0.653425***	0.7***
$FINLEV_i$ x R_i x DR_i	12.86154***	8.935012***	8.983501***
$LNASSET_i$	-0.370498	-0.336928	-0.420606*
$LNASSET_i$ x R_i	-0.121813	-0.157222*	-0.113252
$LNASSET_i$ x DR_i	-0.231861	-0.325963	-0.300871
$LNASSET_i$ x R_i x DR_i	-4.019075***	-4.545961***	-4.877685***
MBV_i	-0.001019	-0.001852	-0.004275
MBV_i x R_i	0.002852	0.00385	0.007095
MBV_i x DR_i	-0.099262	-0.074349	-0.022097
MBV_i x R_i x DR_i	-0.290685	0.009292	0.5397

***sig at level 1%
**sig at level 5%
*sig at level 10%

After doing regression separately for each threshold, it is found a significant positive relationship between accounting conservatism and the existence of the non family as the controlling shareholder at the level of 20%. While for control level of 30% showed no significant results. Further regression at the level control 50%, it will display an error message box with the inscription near singular matrix. Then, additional test was done by performing ordinary least

square, the result shows regression with one variable must be removed from the mode, i.e. CONTROLNONFAM, as shown on the table 4. After this variable is removed (as recommended by the software SPSS), then it was found that control at the level of 50% showed a significant negative relationship to conservatism. Further, additional test is done for the level of control 75%, and the result showed a significant negative association. The table 4 shows that the coefficients generated by variable $CONTROLNONFAM20_i * R_i * DR_i$ is a negative sign, which supports the hypothesis 2b. Thus, hypothesis 2b which states that accounting conservatism negatively related to the the existence of non-family as the controlling shareholder is accepted.

4.3. Blockholders and Accounting Conservatism

Regression results to test hypothesis 3, 3a, and 3b are shown on table 5.

Table 5. Results of Hypothesis 3, 3a, and 3b

	H3	**H3a**	**H3b**
Variable	**All Sample**	**Sub Sample Family**	**Sub Sample Non Family**
C	2.305796***	3.689513**	0.813567
DR_i	1.357574*	-0.943166	-0.733833
R_i	-0.219979	-0.260359	-1.669583
R_i x DR_i	13.77987***	-0.991625	-
$OWNCON_i$	-0.438136	-1.455886	-0.098088
$OWNCON_i$ x R_i	0.227235	0.230873	0.968546
$OWNCON_i$ x DR_i	0.271055	2.470069*	0.43428
$OWNCON_i$ x R_i x DR_i	1.306823	18.70644**	-
$BLOCK_i$	-0.619646	-2.192817*	-
$BLOCK_i$ x R_i	0.675283	0.40384	-0.001889
$BLOCK_i$ x DR_i	0.214782	2.255222	-0.174525
$BLOCK_i$ x R_i x DR_i	-0.443482	18.49903*	-
$OWNCON_i$ x $BLOCK_i$	1.033304	2.643695	-
$OWNCON_i$ x $BLOCK_i$ x R_i	-1.798418	-0.597927	0.504155
$OWNCON_i$ x $BLOCK_i$ x DR_i	-2.04598	-3.392203**	0.011507
$OWNCON_i$ x $BLOCK_i$ x R_i x DR_i	-7.159938	-25.55578***	-
$FINLEV_i$	-0.735087***	-0.812994**	-0.022651
$FINLEV_i$ x R_i	0.825396***	0.787521**	0.372279
$FINLEV_i$ x DR_i	1.006799***	1.359294***	-0.06972
$FINLEV_i$ x R_i x DR_i	11.41324***	13.73036***	-
$LNASSET_i$	-0.475987**	-0.608135**	-0.195279
$LNASSET_i$ x R_i	-0.130137	-0.12827	0.206186
$LNASSET_i$ x DR_i	-0.500172***	-0.489298	0.155428
$LNASSET_i$ x R_i x DR_i	-5.605832***	-6.633884***	-
MBV_i	0.002616	0.001772	-0.013289
MBV_i x R_i	-0.001961	-0.000542	-0.029065

MBV_i x DR_i	-0.127094	-0.037996	-0.115895
MBV_i x R_i x DR_i	-0.593432	0.306375	-0.28076

***sig at level 1%
**sig at level 5%
*sig at level 10%
Source: EViews 8, diolah

For pool sample, the test result showed that the coefficient $OWNCON_i$ * $BLOCK_i$ * R_i * DR_i is not significant at the level significance 5%. Therefore, hypothesis 3 which states that the the existence of a large number of shareholders other than the the largest shareholder (other blockholder) will reduce the negative relationship largest shareholder and accounting conservatism is rejected.

For sample family control firms, the coefficient $OWNCONFAM_i$ * $BLOCK_i$ * R_i * DR_i is significant positive. Therefore, hypothesis 3a which states that the the existence of a large number of shareholders other than largest shareholder (blockholder) will reduce the negative relationship between largest shareholder and accounting conservatism rejected because result of the hypothesis 3a testing shows that the existence of blockholder in the family control companies will reduce the positive relationship between the largest shareholder and accounting conservatism.

The variable $OWNCONNONFAM_i$ * $BLOCK_i$ * R_i * DR_i in sample non-family control company is excluded from the regression test by software, so that the significance and the coefficients of these variables can not be known. The reason is 96.49% of variable $OWNCONNONFAM_i$ * $BLOCK_i$ * R_i * DR_i has value 0. There are 84.21% of the total non-family control firms have a positive return (so that DR_i variable has 0 value) and also due to the second until the fifth largest shareholder in 77% companies in this sub-sample can not exceed the ownership of the largest shareholder, thus BLOCK variable has 0 value. Therefore, hypothesis 3b is rejected.

5. Conclusion and Implication

In sum, the results of this study found that family firms applying higher accounting conservatism than non-family companies. This result is consistent to the allignment hypothesis for the adavantages of family control firms. As revealed by Burkart et al. (2003) that there are three benefits of family ownership; which is theory of potential guests, reputation theory, and the theory of expropriation. The teory of potential guests stated that family company can provide non-economical advantages without causing economic losses for the company. While the theory of reputation suggests that family firms also have the determination to maintain the quality of the company, because they want to keep goodwill in any situation. Finally, the theory of expropriation predicts that the family shareholders will monitor closely the company in order to prevent fraud by other shareholders. de Vries (1993) adds that one of family company advantages is long-term orientation. Sense of belonging which is due to a long-term orientation and maintaining the reputation becomes a reason for family to apply higher level accounting conservatism. Businesses that are being developed now is an investment for the next generation, they manage their company to increase investor confidence, create goodwill with good corporate governance. Therefore,

a family control company manages existing business relaviley more prudently (conservatively) that reflect in the financial information on financial statement, comparing to non-family control company. Further, Demsetz and Lehn (1985) revealed that the family has ability to do direct monitoring to managers thus numbers reported in the financial reporting tend not to be manipulated by the managerial opportunism. It is also confirmed by Ali et al. (2007).

A different phenomenon occurs in non-family companies. The results of this study generally found that when the non-family become the controlling shareholder there is tendency financial information less conservative than family control company. Sense of belonging can be a factor which is fundamental in this regard. Nonfamily parties tend have short-term oriented to maximize its prosperity while controlling a company. They can exit at any time without thinking of firm' going concern (Nordberg, 2010). So that the entrenchment motive, as stated by Ali et al. (2007), on non-family companies led to financial reporting which applies a low level accounting conservatism.

The result of this study suggests that the concentration of ownership, as found in many Indonesia companies, increase the monitoring of company operation, so it makes company more prudent. This occurs in all Indonesian manufacturing companies and also in family control firms, but not in non-family control firms. To realize the positive effects on company operation, major shareholders should have level of control at between 50%-75%. However, lower level of control for family shareholders need to influence the information in financial statement more conservative. On the other hand, higher control by non - family shareholder company has, less conservative financial reporting company disclose. The existence other block holder in a company counter the positive impact family control to conservatism. It does not affect in non-family control firms. In sum, this result provides evidence that family control firms tends to have higher quality of financial reporting in term of conservatism. This results counter the general knowledge that family control firm relates to low quality firms.

This sample of this study include manufacturing sector companies only, thus future research should add other sector companies in order to increase generalization of this result. Quality of financial reporting is multi dimension. In this study the financial reporting quality is measured by one proxy, i.e. conservatism. Therefore future study may use other proxies to measure it.

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Proceedings of the

APCAF 2015

ASIA PACIFIC CONFERENCE ON ACCOUNTING AND FINANCE

Prama Sanur Beach Hotel, Bali, Indonesia
June 11-12, 2015

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APCAF 2015 Organizing Committee Preface

On behalf of the organizing committee of the 2015 Asia Pacific Conference on Accounting and Finance (APCAF 2015) and my colleagues at the Department of Accounting of Universitas Brawijaya, We would like to welcome all of you to Bali to join this conference.

This conference is co-hosted by Departments of Accounting of Universitas Brawijaya and Universitas Udayana, Indonesia Financial Management Association, and some Accounting Departments of Universities in Java and Bali, including:

1. Universitas Katolik Widya Mandala
2. Universitas Pelita Harapan
3. Universitas Panca Marga
4. Universitas Negeri Jakarta
5. Universitas Pendidikan Indonesia
6. Universitas Muhammadiyah Sidoarjo
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13. STIE Trisakti
14. STIE Indonesia
15. Universitas Mahasaraswati
16. Politeknik Negeri Bali

For all of this I would like to thank all of the heads of Accounting Departments of those universities for supporting this conference.

The committee of this conference received 132 papers and accepted only 105 papers to be presented by academia from different universities around the world such as Indonesia, Malaysia, Australia, Japan, Taiwan, UK, Sri Lanka, and United Arab Emirates. So, we believe that this conference will provide an excellent international academic forum for sharing knowledge and research results in terms of theory, methodology and applications of accounting and finance. The organizing committee also believes that these conference proceedings would be a good reference for academic researchers and professionals in the fields Accounting and Finance.

We also would like to express sincere appreciation to all authors for their contributions to this conference. Our extended thanks are also given to Professor Avinidhar Subrahmanyam (of UCLA Andersen School of Management, U.S.) for giving keynote address, Dr Elvia Shauki (of University of South Australia) for sharing experience in doing qualitative research, Mr Jusuf Wibisana for sharing accounting professional's needs for accounting research, and Dr. Shahzad Uddin, University of Essex, UK for sharing experience and providing chances for us to publish in international journal. More especially, we would like to thank all the referees for their constructive comments on all papers and all of the organizing committee members for their hard work. Finally, we would like to thank all firms that have sponsored this conference, i.e. PT. Semen Indonesia (Persero) and Deloitte Indonesia.

Thank you,

Nurkholis, Ph.D.
Head, Department of Accounting
Brawijaya University, Indonesia

DAY AND DATE	TIME (In WITA)	ACTIVITIES
Thursday June, 11, 2015	08.00 – 09.00	Open registration
	09.00 – 09.30	Welcoming and opening ceremony: ▪ Speech by Deans, Faculty of Economics and Business, University of Brawijaya and University of Udayana ▪ Traditional Bali dance performance
	09.30 – 10.00	Coffee break
	10.00 – 12.00	Keynote Speech: **Professor Avanidhar Subrahmanyam (UCLA Anderson, School of Management, United States)**
	12.00 – 13.00	Lunch break
	13.00 – 15.00	Panel Session 1: 1. How to Do Research in Finance by **Professor Avanidhar Subrahmanyam (UCLA Anderson, School of Management, United States)** 2. Qualitative Analysis in Enhancing the Outcome of the Quantitative Analysis by **Dr. Elvia Shauki (University of South Australia)**
	15.00 –15.30	Coffee break
	15.30 –17.30	Panel Session 2: 1. Accounting Profession by **M. Jusuf Wibisana (Lecturer of Accounting Department, University of Brawijaya and Partner – PwC Indonesia)** 2. Journal Dissemination and Publishing in International Journal by **Dr. Shahzad Uddin, Faculty of Social Science, University of Essex, UK**
	19.00 - 22.00	Gala Dinner ▪ Speech by Heads of Accounting Department, Faculty of Economics and Business, University of Brawijaya and University of Udayana

		▪ Traditional Bali performance
Friday June, 12, 2015	07.30 – 08.00	Open registration
	08.00 – 09.45	Concurrent session 1
	09.45 – 10.00	Coffee break
	10.00 – 11.45	Concurrent session 2
	11.45 – 13.30	Lunch break and Friday prayer
	13.30 – 15.15	Concurrent session 3
	15.15 – 15.30	Coffee break
	15.30 – 17.15	Concurrent session 4
	17.15 – 18.00	Closing ceremony

ASIA-PACIFIC CONFERENCE ON ACCOUNTING AND FINANCE 2015
PRAMA SANUR BEACH BALI HOTEL, BALI
JUNE, 11-12, 2015

CONCURRENT 1
(08.00 – 09.45 AM)

CLASS A	MODERATOR:
AUTHOR	**TITLE**
Herlina Helmy & Charoline Cheisviyanny & Sany Dwita	**The analysis of service quality at padang primary tax office**
I Gusti Ayu Agung Diah Acintya & I G. A. M. Asri Dwija Dutri	**performance of denpasar city in implementing performance accountability system of government institution and good governance**
Eko Ganis & Nur Nafiastuti	**Web-Based Enterprise Resource Planning (ERP) System In Action at the Case of A Catering Industry Company in Indonesia**
Budi Rofelawaty & Erlina Diamastuti	**Analysis the implementation sustainability reporting for the companies in Indonesia and comparison with the companies in Malaysia**
Annisa Ciptagustia & Askolani	**Distinctive Capabilities through Talent Management: The Source of Sustainable Competitive Advantage (Survey towards Members of Assosiation of Furniture Rattan Indonesia (ASMINDO) Cirebon)**
Dias Satria & Elvia Shauki	**The Futures of the Artisan Tuna Fishing Economies: A visual ethnographic Study on the Marketing Value Chain Governance Structures**

CONCURRENT 1
(08.00 – 09.45 AM)

CLASS B	MODERATOR:
AUTHOR	**TITLE**
Agus Munandar	**Participatory performance measurement or self-assessment: amelioration employee satisfaction**
I Kadek Satria Nova & Ni Nyoman Ayu Suryandari	**Locus of control in the connection between computer anxiety and skills to use accounting related softwares**
Sherine abdul all & Sanjoy bose & Iliya Komarev	**Determinants of the capital structure policy of banks listed in the united arab emirates**
Nanang Fattah & Chairul Furqon & Budhi Pamungkas Gautama	**Implementation of educational costs based on activity based costing to improve the quality of education in higher education (case study at universitas pendidikan indonesia)**
Beta budisetyorini	**Determinant factor of tourism industry capital structure of tourist attraction, hotel, restaurant, tour and travel**
Astrid Tresnanty & AAGP widanaputra & I Dewa Nyoman Badera	**The effect of budget participationon budgetary slack with managerial trusts as the intervening variable**
Hariandi hasbi & sarjito surya	**Resource based view in relation to the competitive advantage and industry competition on islamic banking**

CONCURRENT 1
(08.00 – 09.45 AM)

CLASS C	MODERATOR:
AUTHOR	**TITLE**
Ika Prayanthi & Deske Mandagi	**The impact of environmental performance as realization of environmental regulation on financial performance**
Umi Muawanah & Gunadi & Rosidi	**Corporate governance, information technology adoption and firm performance: preliminary research**
T.C.Ediriwickrama & A.A Azeez	**Multi factor explanation to ipo long run underperformance anomaly: sri lankan evidence**
I Gusti Ary Suryawathy & I Gede Cahyadi Putra	**Corporate governance mechanisms, earnings management and company performance**
Elvira Luthan	**The influence of environmental disclosure and company growth toward financial performance**
Wisnu Panggah Setiyono & Peter Sheehan	**Internal governance structures and managerial performance**
Retno Yuliati & Soemarso Slamet Raharjo & Dodik Siswantoro	**Financial and performance accountability and their implication towards incumbent reelection: indonesia local election 2011 – 2013**

CONCURRENT 1
(08.00 – 09.45 AM)

CLASS D (BAHASA INDONESIA)	MODERATOR:
AUTHOR	**TITLE**
Syukriy Abdullah & Afrah Junita	**Bukti empiris tentang pengaruh *budget ratcheting* terhadap hubungan antara pendapatan sendiri dan belanja daerah pada kabupaten/kota di aceh**
Metien Margaret & Agus Zainul Arifin	**Dampak faktor ekonomi makro terhada return pasar modal selama periode krisis dan setelah krisis ekonomi 2008**
Rini	**Kongsi Lembaga Ekonomi Mikro Berbasis Syariah Dan Kearifan Lokal**
Christea Frisdiantara & Abdul Halim	**Pengaruh kompetensi dprd tentang anggaran, akuntabilitas publik, dan transparansi kebijakan publik terhadap pengawasan apbd dengan partisipasi masyarakat sebagai variabel moderasi (studi pada dprd periode 2009 - 2014 kota malang)**
Djuni Farhan & Abdul Halim	**Pengaruh etika profesi, pengalaman, tekanan anggaran waktu audit, dan pemahaman dilema etika terhadap standar profesi dan akuntabilitas profesi akuntan public (studi pada akuntan publik pada kap di jatim)**
Chairul Furqon & Fathurrahman	**Pengaruh kualitas sistem informasi pembiayaan mikro terhadap kepuasan pengguna (studi persepsional pada karyawan outlet warung mikro Pt. Bank syariah mandiri (persero) area bandung)**
Luthfiani Asriyah Azzahroh & Sri Murni & Halim Dedy Perdana	**Pengaruh *Value Added Intellectual Capital* Terhadap Kinerja Keuangan (Studi Empiris pada Perusahaan Manufaktur yang Terdaftar di BEI Tahun 2011 - 2013)**

CONCURRENT 2
(10.00 – 11.45 AM)

CLASS A	MODERATOR:
AUTHOR	**TITLE**
Nugraha & Maya Sari & Vaness Gaffar	**Cognitive bias and risk preferences analysis of ponzi scheme investors**
Heny Hendrayati	**Re-engagement: a strategy for engaging employees in a company**
Heny Hendrayati & Maya Annissa & Arief Budiman	**The effect of hilo goes to school event On the hilo school milk brand image**
Diana Tien Irafahmi & Nujmatul Laily & Krida Taruna	**Learning style versus teaching style: do they impact on accounting students' academic achievement?**
Wuchun Chi & Long-Jainn Hwang	**Directors' and officers' liability insurance and information asymmetry**
Novrida Qudsi & Eko Ganis & Aji Dedi & Yeney	**The accounting attendance in trading activity of the brawijaya period: an archaelogical perspective**

CONCURRENT 2
(10.00 – 11.45 AM)

CLASS B	MODERATOR:
AUTHOR	**TITLE**
Linda Kusumaning Wedari & Megawati Oktorina	**Audit committee characteristics, ownership characteristics and audit fees: evidence from manufacturing companies listed on indonesia stock exchange**
Clarissa Kristina & Antonius Herusetya	**Earning informativeness and reputation of audit firms: does market consider the audit quality of The big four and mid-tier firms?**
Aloysius Harry Mukti	**Is voluntary disclsoure and audit comiitee characteristic linked to *earning informativeness?* (indonesia listed manufacturing company)**
Lodovicus Lasdi	**The effect of voluntary disclosure, conservative accounting and life cycle stages on firm valuation**
Farida Titik Kristanti & Nury Effendi & Aldrin Herwany & Erie Febrian	**The survival analysis of financial distress company: empirical studies in Indonesia**
Yunita Awang & Suhaiza Ismail & Abdul Rahim Abdul Rahman	**Measuring the potential for financial reporting fraud in a highly regulated industry**
Setyani Dwi Lestari & Nursito	**The effect of organizational culture, budgeting, internal audit, central government accounting system of quality internal financial reporting and the implications of performance accounting unit ministry of health organization In west java region**

CONCURRENT 2
(10.00 – 11.45 AM)

CLASS C	MODERATOR:
AUTHOR	**TITLE**
Satia Nur Maharani	**Exploring neural mechanisms of brain to open The black box of psychological biases in financial market**
I Nyoman Kusuma Adnyana Mahaputra & I Putu Mega Juli Semara Putra	**Accounting knowledge, entrepreneurial spirit and age on the use of accounting information in investment decision**
Mashudi	**Empowerment concept of the poor people through 4d model approach**
Erwin Saraswati	**Accounting data for banckruptcy analysis (literature review based on researches in indonesia)**
Judi suharsono	**Spirituality enhancement on small scale mango farmers; The hidden implication from the sharia eva implementation**
Ali djamhuri	**How neutral "sector neutral" accounting standards is?**
Metta tjungandi & Ricky a. Mulyana	**The influence of creative accounting and other factors to dividend payout ratio**

CONCURRENT 2
(10.00 – 11.45 AM)

CLASS D (BAHASA INDONESIA)	MODERATOR:
AUTHOR	**TITLE**
Sally Halawa & Djoko Sigit Sayogo & Eny Suprapti	**Pengaruh Penilaian Tingkat Kesehatan Bank Dengan Rgec Terhadap Harga Saham**
Supami Wahyu Setiyowati Ati Retna Sari	**Pengaruh Pengungkapan Corporate Social Responsibilty Terhadap Kinerja Keuangan Perusahaan Manufaktur Dan Pertambangan Di Bursa Efek Indonesia Dengan Corporate Governance Sebagai Variabel Moderasi**
Umi Mardiyati & Gatot Nazir Ahmad & Lusiana	**Determinant of dividend payout ratio a study at a company listed in the LQ45 in 2009 – 2011**
Agus munandar	**Identifikasi disonansi kognitif untuk daya saing perbankan syariah di tataran global**
Bonifasius Santiko Parikesit & I Wayan Bayu Diatmika	**Redefinisi konsep akun kewajiban di dalam persamaan dasar akuntansi**
Riesanti Edie Wijaya & Novrida Qudsi Lutfillah & Yenni Mangoting	**Deconstruction Value Added Statement With Wisdom Java "Memayu Hayuning Bawana": A Perspective**
Mardi & Indra Pahala & Yunika Murdayati & Petrolis Nusa Perdana	**A Study Of Sharia Investment Development In Indonesian Capital Market**

CONCURRENT 3
(13.30 – 15.15 WITA)

CLASS A	MODERATOR:
AUTHOR	**TITLE**
Arum prastiwi & bambang subroto & rosidi & nurkholis	**Determinants of social and environmental disclosure: a review on prior research**
Rizal Yaya & Sigit Arie Wibowo & Ulvaturrahmah & Aras Halim Bernas	**Carbon emission disclosure practices after mandatory disclosure policy: An empirical evidence from public listed companies in indonesia**
Yessica natalia & imam subekti	**The effect of environmental performance and corporate social responsibility disclosure to corporate financial performance**
Putu wenny saitri	**Foreign ownership effect to corporate social responsibility and market performance**
Ratna A.ZR & Harry Prabowo & Tresno Ekajaya	**Accounting information system management, strategy, innovation and the influence to operating performance of company manufacturing of indonesia : entering the free trade era**
Ihtifazhudin Abadi Bowo & Chalimah & Siti Yunitarini	**Should indonesia do redenomination? Analysis of effect of inflation and exchange rate in 25 countries redenomination**
Imam Kanafi & Ade Dedi Rohayana & Susminingsih	**Trust, intuition and investment behavior (the study of managerial behavior based on religion perspective)**

CONCURRENT 3
(13.30 – 15.15 WITA)

CLASS B	MODERATOR:
AUTHOR	**TITLE**
Imelda Dian Rahmawati & Musliki & Ika Ratna Indra Astutik	**The design of software and website based financial statement model to improve the transparency and accountability of amil zakat institution**
Yuto Yoshinaga	**The relation between cash holdings and earnings persistence**
Pristiana Widyastuti	**The influence accounting method choice and financial performance on investment opportunity set**
Johannes & Harry Budi	**The effects of car insurance customer perception toward public relation and customer loyalty**
Yura Karlinda Wiasa Putri & A.A.G.P. Widanaputra	**The influence of information asymmetry, leverage and chief executive officer turnover on the earnings management practices**
Noval Adib	**The retrograde movement of institutional theory : the story behind the establishment of the first islamic bank in indonesia**
Hsiu-I Ting	**Why do board members get excess compensation**

CONCURRENT 3
(13.30 – 15.15 WITA)

CLASS C	MODERATOR:
AUTHOR	**TITLE**
Apriani D.R Atahau & Tom Cronje	**Does size affect loan portfolio structure and performance of domestic-owned banks in indonesia?**
Vierly ananta upa	**Firms' respons on tax reform: evidence from indonesian capital market**
Rini	**Effectiveness of internal control over financial reporting in indonesia islamic banking**
Ishak ramli	**The relevant value accounting information on the adoption of the ifrs in the capital market evidence in the banking industry**
Christine Leonardi & Irwanto Handojo	**The influence of corporate debt financing on earnings quality**
Muhammad reza fahlevi & aan marlinah	**The influence of liquidity, capital structure, profitability and cash flows on the company's financial distress**
Sutrisno	**Risk management and performance of Conventional banking in Indonesia**

CONCURRENT 3
(13.30 – 15.15 WITA)

CLASS D (BAHASA INDONESIA)	MODERATOR:
AUTHOR	**TITLE**
Samuel Tulus & Fidelis Arastyo Andono & Yie Ke Feliana	**Studi pengaruh penerapan corporate governance terhadap credit rating pada badan usaha go public yang masuk dalam ibmd dan terdaftar di bei periode 2009-2013**
Mokh Adib S	**Pengaruh persepsi kualitas, persepsi nilai terhadap kepuasan dan niat untuk berkunjung**
M. Khoiru rusydi & chaerul d. Djakman & Sylvia Veronica NPS	**Pengaruh books-tax differences terhadap investor trading**
Kartika Hendra Titisari	**Csr assessment dan pengembangan strategi csr industri perhotelan di Surakarta**
Lilik Purwanti & Iwan Triyuwono & Gugus Irianto & Ahmad Riduwan	**Potret prilaku pengguna laporan keuangan dalam memaknai praktik manajemen laba perspektif weton**
Lukyanto Dwi Sandi & Endang Dwi Wahyuni & Sri Wibawani W.A	**Pengaruh debt default, firm sizei, dan prior opinion terhadap penerimaan opini going concern (studi empiris pada perusahaan yang listing di bei)**
Ni Made Vita Indriyani & Made Gede Wirakusuma	**Relevansi indikator keuangan dengan metode general price level accounting dan current cost accounting**
Dyah Nurmalitasari & Halim Dedy Perdana & Santoso Tri Hananto & Sulardi	**Pengaruh Penerapan Sistem Akuntansi Pemerintah Daerah Dan Pemahaman Akuntansi Terhadap Kualitas Laporan Keuangan Pemerintah Daerah**

CONCURRENT 4
(15.30 – 17.15 WITA)

CLASS A	MODERATOR:
AUTHOR	**TITLE**
Yan Christianto Setiawan & Yie Ke Feliana	**The relationship between ownership structure and accounting conservatism in manufacturing sector companies listed on Indonesia stock exchange**
Irwan Taufiq R	**Lessons learned from early implementation stage of accrual accounting in indonesia local government a case study in province xyz**
Mahfuzur Rahman & Mohamed Albaity & Che Ruhana Isa	**Behavioral biases and financial risk tolerance: evidence from malaysia**
Yuji Shirabe	**The effect of acquiring firm's growth opportunity on the value relevance of goodwill**
Rida Prihatni & Bambang Subroto & Erwin Saraswati & Bambang Purnomosidi	**The difference of value relevance of accounting information between manufacturing and financial service companies in period of ifrs convergence of 2008-2012**

CONCURRENT 4
(15.30 – 17.15 WITA)

CLASS B	MODERATOR:
AUTHOR	**TITLE**
Ni Nyoman Suarniki & Budi Rofelawaty & Muhammad Malady	**Preliminary research: assessing strategic management readiness of micro and small enterprises to cope with asean economic community (aec) 2015 in south kalimantan.**
Oliandes Sondakh	**Eco-preneurism: the role of awareness, emotions and pro – environmental behavior towards indonesia entrepreneurs willingness to purchase green material with gender as control variable**
Oyong lisa	**Timeliness submission financial statements and factors - factors affecting the cooperative sharia in indonesia incorporated in inkopsyah**
Hadiah fitriyah & syarifatun ni'mah	**Analysis of good corporate governance (gcg) principles In perspective of islam in shariah banking**
Suryana & Rofi Rofaida & Ayu Krishna	**Increasing competitiveness through human resources competency improving competency at creative industry based on local materials (case study at the handicraft industry in bandung)**
Ni Luh Putu Andriyani Pratiwi & I Gusti Ayu Made Asri Dwija Putri & Eka Ardhani Sisdyani & I Gusti Ketut Agung Ulupui	**Good corporate governance and performance**
Putu Agus Ardiana & Ni Putu Sri Harta Mimba	**Mispricing in stock option**

CONCURRENT 4
(15.30 – 17.15 WITA)

CLASS C	MODERATOR:
AUTHOR	**TITLE**
Setyani Dwi Lestari & Yudhi Wira Buana & Sugiharto Soeleman	**The impact worldwide stock prices and indonesian currency movements to stock prices of publicly listed companies in indonesia**
Amelia & Ronald	**The importance of understanding macroeconomic variables in the analysis of ihsg in inconesia (ihgs case study of 2003-2014 period)**
Susminingsih & imam kanafi	**Do the family values still help their finance decision making? (lessons learned from smes of pekalongan-indonesia batik industry)**
Hoang n. Pham	**Agency costs and risk-taking: are they two missing links in the co-deterministic relationship between ownership structure and firm performance?**
Asl lindawati & lydia melissa hadinata	**The rationalization of transparency effect tax disclosure toward to compliance of individual tax payers**
Sany & devie & josua tarigan	**The influence of budgeting participation on job satisfaction in the manufacturing and service companies in surabaya**

CONCURRENT 4
(15.30 – 17.15 WITA)

CLASS D	MODERATOR:
AUTHOR	**TITLE**
Nunung Nurhayati & Magnaz Lestira & Sri Fadilah & Nurhayati	**Effects of accounting information quality, accountability and transparency of financial reporting on the level of zakat revenue in zakat foundation (bazda) in west java province**
Wiwiek prihandini	**Detection of tax inspection results through tax planning and book tax gap**
Lulu setiawati	**The impact of firm performance and firm size to the environmental performance of the firm Case study: manufactures firms in indonesia**
Wuryan andyani & jogiyanto hartono & supriyadi Setiyono miharjo	**The effect of family ownership on profit and performance company management: based on the theory of stewardship**
Rhenca alvananda and yeney widya p	**Determinants of corporate governance implementation quality in indonesia (study of firms rated by the indonesian institute for corporate governance)**
Eva Ernawati & Bambang Purnomosidhi & Yeney Widya P	**Mediating role of quality effect in effect of corporate governance mechanism on the cost of equity capital**

CERTIFICATE

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APCAF 2015

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Universitas Brawijaya and Universitas Udayana
at Prama Sanur Beach Hotel,
Bali, 11th-12th of June 2015.

With the title of:

The relationship between ownership structure and accounting conservatism in manufacturing sector companies listed onIndonesia stock exchange

Nurkholis, Ph.D., Ak., C.A.
Head, Department of Accounting, Universitas Brawijaya

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