THE EFFECT OF FUNDING DECISIONS ON FIRM VALUE WITH GOOD CORPORATE GOVERNANCE AS MODERATION VARIABLE

Natania Ratna Sari[1], Herman Ruslim[2]

[1] Program Studi Magister Akuntansi, Universitas Tarumanagara Jakarta
Email: natania.127211005@stu.untar.ac.id
[2] Program Studi Magister Akuntansi, Universitas Tarumanagara Jakarta
Email: hermanr@fe.untar.ac.id

Abstract
The purpose of this study was to examine the effect of earnings management and funding decisions on firm value in the transportation sector companies in Indonesia. The moderating variable used is Good Corporate Governance which consists of the role of the Board of Commissioners, the intensity of Audit Committee meetings, Institutional Ownership and Managerial Ownership. This study used profitability as control variable. The data used as research material is secondary data originating from the financial reports of transportation companies that are listed on the Indonesia Stock Exchange in 2018-2020. The population and sample in this study got 57 company samples. The data analysis method used in this study is the regression test method. The results of the study show that funding decisions affect firm value. Meanwhile, real earnings management has no effect on firm value, and good corporate governance does not strengthen or weaken the effect of earnings management and decisions on firm value.

Keywords: earnings management, funding decisions, firm value, transportation companies, good corporate governance.

INTRODUCTION

In 2020, Indonesia's economic condition experienced a decline caused by the covid-19 virus pandemic. This pandemic has resulted in the government imposing Large-Scale Social Restrictions (PSBB) thereby reducing the mobility of the Indonesian people. This is very influential on the company's economic conditions, especially in the field of transportation. The company is also increasingly active in developing business strategies to maintain financial reporting performance so that it is good in the eyes of investors and the wider community.

Financial reports are an important form of communication tool for companies to find out the company's financial condition. From the financial statements it can be seen the amount of profit or profits generated by the company per year. The large amount of profit will automatically affect the increased company value.

Firm value is very important because company value can be seen from the stock prices published to the public and is a picture of the wealth and welfare of the company (Brigham and Houston, 2014: 7). Therefore, every company definitely wants to have a good company value in the eyes of investors to gain investment confidence which will drive up the company's stock price.

One of the ways is to regulate the amount of profit or company profits which is called earnings management activity. Earnings management is a way of presenting profits that aims to maximize

management's utility or increase market value through the selection of accounting procedure policies by management.
Discretionary earnings management is an activity carried out by managers to change earnings in financial statements by changing the timing and structure of operating, investment, or funding decisions. The advantage of this method compared to the accrual method is that it is difficult to detect by auditors or the government. In the United States, the use of accrual earnings management has decreased, while the use of real earnings management has increased significantly (Badertscher, 2011).

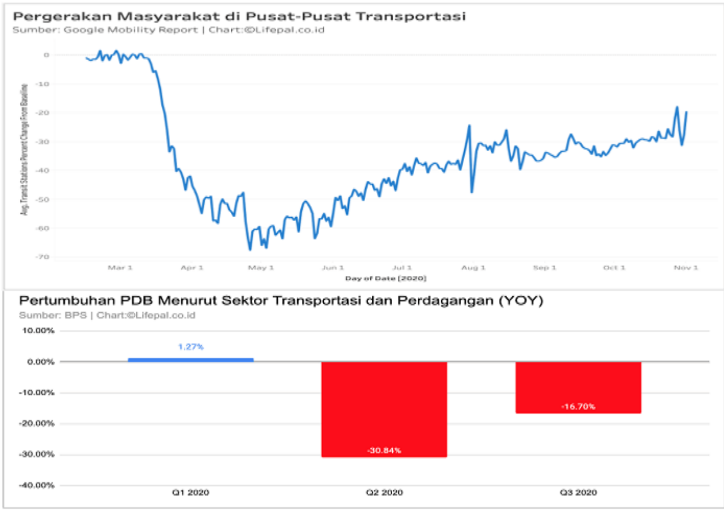

Figure 1. Transportation Sector Gross Domestic Product Growth
(Sumber : https://www.bps.go.id/publication/2020)

During this pandemic era, Indonesia experienced a decline in the economy in various fields, especially in the transportation company sector, because people's activities and mobility were limited by the government. Therefore, to maintain performance in financial statements, many transportation sector companies carry out earnings management in order to increase company value. Earnings management is assumed to affect the value of the company because when company profits increase, the number of investors who invest shares can also increase.

An example of a case of earnings management that affects company value in a transportation sector company that occurs is the case of PT Garuda Indonesia Tbk. In 2018, GIAA recorded a net profit of US$ 809.85 thousand or the equivalent of IDR 11.33 billion (exchange rate of IDR 14,481). This figure jumped too high compared to 2017 which suffered a loss of USD 216.5 million. The profit was obtained from the increase in other business revenues which totaled US$ 306.88 million.

This made two commissioners of PT Garuda Indonesia Tbk reluctant to sign the financial statements, namely Chairal Tanjung and Dony Oskaria. Both are representatives of PT Trans Airways and Fine Gold Resources Ltd as holders of 28.08% of Garuda shares. They objected to the recognition of revenue from the transaction providing in-flight connectivity services, between PT Mahata Aero Technology and PT Citilink Indonesia. This is because Garuda

Indonesia includes profits from PT Mahata Aero Technology, which has debts related to wifi installation that have not been paid to Garuda. This recognition is considered not in accordance with the rules of Statement of Financial Accounting Standards (PSAK) Number 23 regarding revenue recognition at the time of sale.
Because Garuda Indonesia's management recognized revenue from Mahata of US$ 239,940,000, of which US$ 28,000,000 was part of the profit sharing received from PT Sriwijaya Air. Even though the money is still in the form of receivables, the company admits it is included in revenue. This is because the company performs earnings management to increase company profits.

In addition, one of the factors that determine the value of the company is the funding decision. The funding decision is a company strategy that is considered to determine the company's source of capital, whether it is from own capital or investment from the company owner, or from debt to external parties. If the resulting company's capital and debt ratios are in the right position, it will support the company's ability to generate profits. Maximum company profit will reflect good company performance so as to create a good impression for investors to invest in the company. This causes an increase in demand for company shares so that the share price will also increase.

According to Brigham and Houston (2014: 183), the benefits of debt in a company's investment activities will improve performance in financial statements because companies have larger capital. This will look good in the eyes of investors so that it will increase the value of the company.

Then, one of the things that need to be considered in maximizing the value of the company is to implement good corporate governance. Effective corporate governance mechanisms will affect the performance and value of the company, and will weaken the misuse of earnings management by management.

Several previous studies tested the effect of earnings management on firm value by adding the role of corporate governance as a moderating variable, such as research by Junchristianti (2015:23), Pertiwi (2010:98), and Vajriyanti, Widanaputra, & Putri (2015:15). Junchristianti (2015:23) concludes that earnings management has no significant effect on firm value and the role of corporate governance can reduce the effect of accrual earnings management on firm value; while Pertiwi (2010:98) shows that accrual earnings management has a significant effect on firm value, and the role of corporate governance cannot weaken the effect of accrual earnings management on firm value; and Vajriyanti et al. (2015: 15) shows that the role of corporate governance can moderate the effect of real earnings management on firm value.

Because the results from previous studies showed different results, the authors are interested in conducting further investigations regarding the influence of earnings management on firm value with corporate governance as a moderating variable. The difference between this study and previous studies is the combination of funding decision variables and earnings management on firm value.

The purpose of this study is to examine the effect of earnings management and funding decisions on company value, specifically in the transportation sector during the 2018-2020 pandemic.

This research is expected to be useful for users of financial reports to develop insight, to be critical and scientific related to theory compared to reality. For auditors to be able to increase awareness and procedures in conducting audits of companies, especially during a pandemic, then for investors this research is expected to be used as material for consideration in making investment decisions in companies.

Research Questions

Based on the background of the problems above, the problems in this study can be formulated as follows:

1. Is there any effect of accrual earnings management on Firm Value in Transportation Companies listed on the Indonesia Stock Exchange?
2. Is there any influence of funding decisions on the Firm Value of Transportation Companies listed on the Indonesia Stock Exchange?
3. a. Does the role of the Independent Board of Commissioners affect the relationship between Earnings Management and Firm Value in Transportation Companies listed on the Indonesian Stock Exchange?
   b. Does the role of the Independent Board of Commissioners affect the relationship between Funding Decisions and Firm Value of Transportation Companies listed on the Indonesian Stock Exchange?
4. a. Does the role of the Audit Committee affect the relationship between Earnings Management and Firm Value in Transportation Companies listed on the Indonesian Stock Exchange?
   b. Does the role of the Audit Committee affect the relationship between Funding Decisions and Firm Value of Transportation Companies listed on the Indonesian Stock Exchange?
5. a. Does Managerial Ownership affect the relationship between Profit Management and Firm Value in Transportation Companies listed on the Indonesian Stock Exchange?
   b. Does Managerial Ownership affect the relationship between Funding Decisions and Firm Value in Transportation Companies listed on the Indonesian Stock Exchange?
6. a. Does Institutional Ownership affect the relationship between Earnings Management and Firm Value in Transportation Companies listed on the Indonesia Stock Exchange?
   b. Does Institutional Ownership affect the relationship between Funding Decisions and Firm Value of Transportation Companies listed on the Indonesia Stock Exchange?

LITERATURE REVIEW

1. Firm Value

The firm value according to Silvia Indrarini (2019: 2) is as follows: "Firm value is an investor's perception of the level of success of managers in managing the company's resources entrusted to them which is often associated with stock prices." Firm value is determined through Price to Book Value (PBV). For companies that are doing well, this ratio generally reaches above one, indicating that the market value of the stock is greater than the book value.

2. Earning Management

Earnings management is a way of presenting profits that aims to maximize the value of financial statement performance or increase market value through the selection of accounting procedure policies by company management. Earnings management can occur because of different interests between principals (company owners) and agents (company managers). Earnings management technique by manipulating real activities (real earnings management) was introduced by Roychowdhury (2006).

Earnings management techniques are very diverse, which can be done using legal techniques, which means management chooses accounting methods that are allowed by SAK to illegal techniques that conflict and are not allowed by SAK (Wolk, Dodd, and Tearney, 2006 in Sulistiawan, Januarsi, Alvia, 2011). There are three ways that can be used to carry out earnings management in financial statements, as follows:

1) Take advantage of opportunities to make accounting estimates.
2) Changing accounting methods
3) Shift the cost or revenue period.

Earnings management motivation can be due to motivation to get bonuses, motivation to get debt, motivation to avoid taxes, motivation for initial public offering, motivation for changing directors, and political motivation.

3. Funding Decisions

According to Sudana (2011: 6), funding decisions are related to the process of selecting sources of funds used to finance planned investments with various alternative sources of funds available, so that the most effective combination of spending is obtained. Alternative funding made by companies can come from several sources, as explained by Keown et al. (2011:39) “Financing comes from two main sources: debt (liabilities) and equity. This is a material consideration for the value of the company, because with good and correct funding decisions, it will produce good company value.

4. Good Corporate Governance

According to Sukrisno Agoes (2011: 101) Good Corporate Governance is a good corporate governance mechanism, namely a system that regulates the relationship between the roles of the Board of Commissioners, the role of the Board of Directors, shareholders, audit committee and other stakeholders.

The board of commissioners as an organ of the company has collective duties and responsibilities for supervising and providing advice to the directors. The audit committee's duties are to ensure that financial reports are presented fairly in accordance with generally accepted accounting principles, and also to ensure that the company's internal control system has been implemented properly. Institutional shareholders are the shareholders of a company by governments, financial institutions, incorporated institutions, foreign institutions, trust funds and other institutions. Meanwhile, managerial ownership is the number of shares owned by company management.

The purpose of implementing corporate governance is to create added value for all interested parties (stakeholders) (Sutedi, 2012). The principles of Good Corporate Governance are transparency, accountability, responsibility, independence, equality and fairness.

5. Profitability

Profitability means the ability of a company to earn profits or gains. Profitability is a ratio expressed in percentages used to assess a company's ability to generate profits at an acceptable level. According to Munawir (2002), profitability is a company's ability to generate profits within a certain period of time.

HYPOTHESIS DEVELOPMENT

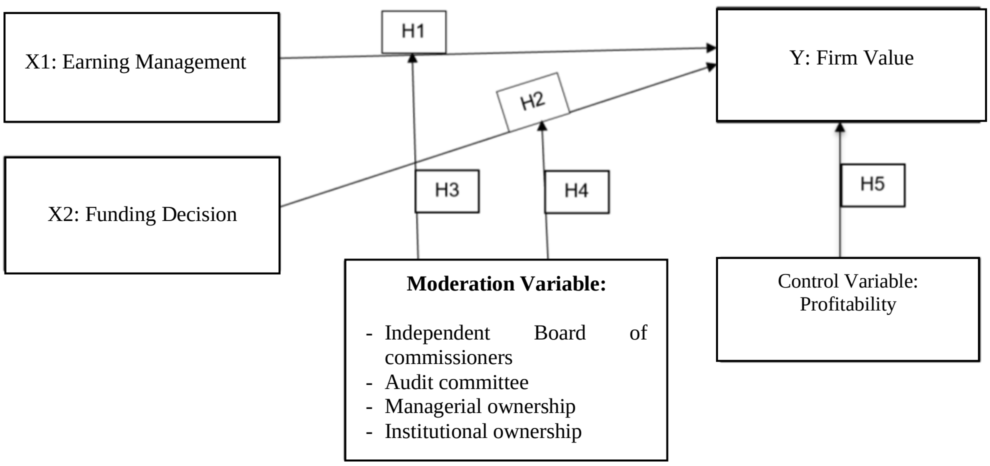

Figure 2 Research Development Scheme

This research was conducted to analyze the effect of accrual earnings management and real earnings management on firm value with good corporate governance as a moderating variable and use profitability as a control variable in transportation companies listed on the Indonesia Stock Exchange (IDX) in 2018-2020. The hypothesis used in this this research namely:

H-1: Real earnings management has a negative effect on firm value.
H-2: Funding decisions have a positive effect on firm value.
H-3a: The role of the Independent Board of Commissioners weakens the effect of real earnings management on firm value.
H-3b: The role of the Board of Commissioners strengthens the influence of funding decisions on firm value.
H-3c: The role of the audit committee weakens the effect of real earnings management on firm value.

H-3d: The role of the audit committee does not weaken or strengthen the influence of funding decisions on firm value.

H3-e: The role of institutional ownership weakens the effect of real earnings management on firm value.

H3-f: The role of institutional ownership strengthens the influence of decisions on firm value.

H3-g: Managerial ownership does not weaken or strengthen the effect of real earnings management on firm value.

H3-h: Managerial ownership does not weaken or strengthen the effect of real earnings management on firm value.

H3-i: Profitability has a positive effect on firm value.

RESEARCH METHODOLOGY

The research method used in this study is a quantitative method, a type of conclusive, descriptive, and cross-sectional design.

Table 1 Definition of Research Operational Variables

Variable	Name of Variable	Measurement Scale	Proxy/Indicator
PBV	*Price to Book Value*	Ratio	$\text{Price to Book Value (PBV)} = \frac{\text{Harga Saham}}{\text{Nilai Buku Saham}}$
DAR	*Debt to Asset Ratio*	Ratio	$\text{DAR} = \frac{\text{Total Utang } (Debt)}{\text{Total Aktiva } (Assets)}$
$ABPROD_{it}$	Discretionary production cost	Ratio	$ABPROD_{it} = PROD_{it} - PROD_{it} \ / A_{it}-1$
GCG	Independent Board of Commissioners	Ratio	$DKI_{it} = \frac{\Sigma KI_{it}}{\Sigma TK_{it}}$
	Audit Comittee	Ratio	$KA_{it} = \frac{\Sigma JRit}{\Sigma JPit}$
	Managerial ownership	Ratio	$KM_{it} = \frac{\Sigma SMit}{\Sigma TSBit}$
	Institutional Ownership	Ratio	$KI_{it} = \frac{\Sigma SI_{it}}{\Sigma TSB_{it}}$

Profitability	*Gross Profit Margin*	Ratio	GPM = (Gross profit/ total revenue) x 100%

Description:

$PROD_{it}$: Production cost of company i in period t, with $PROD_{it} = COGS_{it} + \Delta INV_{it}$)

DKI_{it} : Independent commissioners of company i in period t

ΣKI_{it} : Number of independent commissioners of company i in period t

ΣTK_{it} : Total number of commissioners of company i in period t

KA_{it} : The ratio of the number of Audit Committee meetings of company i in period t

ΣJR_{it} : Number of company i audit committee meetings in period t

ΣJp_{it} : The number of Audit Committee meetings according to regulations POJK No.55/ POJK.04/2015

Km_{it} : Managerial ownership of company i in period t

ΣSm_{it} : The number of shares owned by the management of company i in period t

ΣTSB_{it} : The total number of outstanding shares of company i in period t

Ki_{it} : Institutional ownership of company i in period t

ΣSi_{it} : The number of shares owned by other institutions of company i in period t

ΣTSB_{it} : The total number of outstanding shares of company i in period t

Population and Sampling Techniques

This study uses a quantitative approach using secondary data obtained from the financial reports for 2018 to 2020 for transportation sector companies listed on the Indonesia Stock Exchange. The financial report data is sourced from www.idx.co.id and the company's official website.

This year's election aims to compare the company's financial condition before the pandemic in 2018 and after the pandemic, namely in the last two years of this period, because the pandemic caused the economy to decline which allowed the Company to carry out earnings management in order to improve the performance of its financial statements.

The type of company that is determined to be the population in this study is a company in the transportation sector, because this sector was heavily affected by economic conditions during the pandemic in Indonesia. The following is a table for the sample companies in this study:

Table 2 Research Sample

No	Criteria	Number of Companies
1	Companies in the Transportation sector listed on the Indonesia Stock Exchange after 2018	28
2	Companies in the Transportation sector on the IDX that do not have complete data from 2018 – 2020	(9)
	Number of Research Samples	**19**
	Total Data for Research [30 x 3 years]	**57**

RESULTS AND RESEARCH ANALYSIS

4.1 Descriptive Analysis

Table 3 Descriptive Statistical Analysis

(Source: Data Processed by Eviews 8, 2022)

	Y	X1	X2	K	Z1	Z2	Z3	Z4
Mean	1.93672	-0.26627	0.84644	0.01846	0.42826	1.29825	0.41443	3.56104
Median	0.86383	-0.11637	0.77524	0.16537	0.42857	1.00000	0.41676	0.11809
Maximum	13.2264	0.10001	21.9012	0.46461	0.66667	5.25000	0.90000	63.1521
Minimum	-2.77060	-3.51341	-7.94043	-4.27841	0.25000	0.00000	0.00000	0.00000
Std. Dev.	3.29523	0.58998	4.07829	0.74054	0.10452	0.93594	0.30241	14.1736
Skewness	1.70388	-3.67575	2.31699	-4.06982	0.30694	1.82530	0.15547	4.00407
Kurtosis	5.46388	18.2849	14.9558	22.1192	2.42809	7.37369	1.63299	17.0411
Jarque-Bera	41.9986	683.225	390.486	1025.520	1.67182	77.0833	4.66775	620.545
Probability	0.00000	0.00000	0.00000	0.00000	0.43348	0.00000	0.09691	0.00000
Sum	110.393	-15.1776	48.2469	1.05233	24.4107	74.0000	23.6224	202.979
Sum Sq. Dev.	608.078	19.4924	931.416	30.7107	0.61172	49.0548	5.12135	11249.9
Observations	57	57	57	57	57	57	57	57

a. Descriptive test of Price to Book Value (PBV)

The results of the descriptive analysis show that the PBV variable has an average value (mean) of 1.93672, a median value of 0.86383, and a standard deviation of 3.29523. The maximum value of 13.2264 was achieved by the company Satria Antaran Prima Tbk in 2020, while the minimum value of -2.77060 was achieved by Indonesia AirAsia Indonesia Tbk. in 2018.

b. Descriptive test of Discretionary Expense (DISEXP)

The results of the descriptive analysis show that the real earnings management variable has an average (mean) value of -0.26627, a median value of -0.11637, and a standard deviation of 0.58998. The maximum value of 0.10001 was achieved by the company AirAsia Indonesia Tbk. in 2019, while the minimum value of -3.51341 was achieved by Trimuda Nuansa Citra Tbk. in 2018.

c. Descriptive test of Funding Decisions

The results of the descriptive analysis show that Funding Decisions have an average value (mean) of 0.84644, a median value of 0.77524, and a standard deviation of 4.07829. The maximum value of 21.9012 was achieved by Sidomulyo Selaras Tbk. in 2020, while the minimum value of -7.94043 was achieved by Indonesia Steady Safe Tbk. in 2019.

d. Descriptive test of Good Corporate Governance (GCG)

The results of the descriptive analysis show that the variable Good Corporate Governance (GCG) which is denoted by z1, z2, z3, and z4 has an average value (mean) of 1.425495, a median value of 0.490855, and a standard deviation of 6,900575. The maximum value is 32.8297 while the minimum value is 0.06250.

e. Descriptive test of Profitabilitas

The results of the descriptive analysis of profitability have an average value (mean) of 0.01846, a median value of 0.16537, and a standard deviation of 0.74054. The maximum value of 0.46462 was achieved by the company Batavia Prosperindo Trans Tbk. in 2018, the minimum value was -4.27841 by Indonesia Express Transindo Utama Tbk. in 2020.

4.2 Regression Analysis and Results of Hypothesis Testing

The linear regression model can be formulated as follows:

Equation 1:

$$Y = a + b1X1 + b2X2 + b3K + b4Z1 + b5Z2 + b6Z3 + b7Z4 + e$$

Equation 2:

$$Y = a + b1X1 + b2X2 + b3K + b4Z1 + b5Z2 + b6Z3 + b7Z4 + b8X1Z1 + b9X2Z1 + b10X1Z2 + b11X2Z2 + b12X1Z3 + b13X2Z3 + b14X1Z4 + b15X2Z4 + e$$

Description:

Y = Firm Value

a = Constanta, shows the value of Y at the time X = 0

b = The regression coefficient is the magnitude of the change in variable Y due to changes in each unit of variable X.

X1 = Discretionary earning management

X2 = Funding Decisions

K = Profitability

Z1 = Independent Board of Commissioner

Z2 = Audit Committee

Z3 = Managerial Ownership

Z4 = Institutional Ownership

e = error (value 0)

Equation 1 serves to examine the influence of earnings management variables and funding decisions on firm value. Then equation 2 serves to examine the influence of good corporate governance as a moderation between the independent variables on the dependent variable.

The results obtained are presented in the following table:

Equation 1

Table 4 Regression Analysis method Fixed Effect (Equation 1)
(Source Data processed by Eviews 8, 2022)

Dependent Variable: Y
Method: Panel Least Squares
Date: 11/19/22 Time: 21:22
Sample: 2018 2020
Periods included: 3
Cross-sections included: 19
Total panel (balanced) observations: 57

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	105.7638	67.99416	1.555484	0.1300
X1	0.271489	0.765886	0.354477	0.7254
X2	0.364935	0.076626	4.762540	0.0000
K	0.007711	0.523266	0.014737	0.9883
Z1	-2.559270	5.312825	-0.481716	0.6334
Z2	2.527595	0.405970	6.226056	0.0000
Z3	-41.70536	14.32898	-2.910560	0.0066
Z4	-24.98299	17.98682	-1.388961	0.1747

Effects Specification

Cross-section fixed (dummy variables)

R-squared	0.868665	Mean dependent var	1.936724
Adjusted R-squared	0.762750	S.D. dependent var	3.295230

S.E. of regression	1.605050	Akaike info criterion	4.087403
Sum squared resid	79.86170	Schwarz criterion	5.019321
Log likelihood	-90.49098	Hannan-Quinn criter.	4.449578
F-statistic	8.201534	Durbin-Watson stat	2.645319
Prob(F-statistic)	0.000000		

The T test in equation 1 is used to answer hypotheses number 1 to 2. This T test is to find out whether there is a partial effect between the independent variables (X1, X2) on the dependent variable (Y). The results of the t test can be seen in Table 4 above.
The test procedure with the t test is as follows:

1. Determine the null hypothesis and the alternative hypothesis
   - Hypothesis 1
     Ho: b1 = 0 (real earnings management has no effect on firm value).
     Ha: b1 ≠ 0 (Real earnings management affects firm value).
   - Hypothesis 2
     Ho: b2 = 0 (Funding decision has no effect on Firm Value).
     Ha: b2 ≠ 0 (Funding decisions affect firm value).

2. Determine the t table using a significance level of 0.05
   The t table value can be seen in the statistical t table at df = n-k-1 or 57-7-1 = 49 (k is the number of independent variables), with a 2-sided test the result is t table = 2.010
3. Test criteria
   - Ho is accepted if t count ≤ t table
   - Ho is rejected if t count > t table
4. Draw conclusions
   Based on the T test it can be concluded as follows:

a. Earning Management to Firm Value

Discretionary earnings management has no effect on firm value. This is because the value of t count <t table (0.354 <2.010) so that Ho is accepted and Ha is rejected.

b. Funding Decision to Firm Value

Funding decisions affect the Firm Value. This is because the value of t count > t table (4.762 > 2.010) so that Ho is rejected and Ha is accepted. The effect is positive because the t count is positive, meaning that if the funding decision increases, the firm value will also increase. Meanwhile, the other variables tested showed no effect on the dependent variable.

Equation 2

Table 5 Regression Analysis method Fixed Effect (Equation 2)
(Source: Data processed by Eviews 8, 2022)

Dependent Variable: Y
Method: Panel Least Squares
Date: 11/19/22 Time: 21:29
Sample: 2018 2020
Periods included: 3
Cross-sections included: 19
Total panel (balanced) observations: 57

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	102.1487	73.01953	1.398923	0.1752
X1	18.44983	42.28444	0.436327	0.6667
X2	0.664325	1.813392	0.366344	0.7175
K	0.320831	1.003813	0.319612	0.7521
Z1	-3.780392	7.718350	-0.489793	0.6289
Z2	0.838902	0.926162	0.905783	0.3744
Z3	-42.89416	16.10113	-2.664046	0.0139
Z4	-23.37812	19.15544	-1.220443	0.2347
X1Z1	-19.28622	82.77221	-0.233004	0.8178
X2Z1	-0.642414	3.685761	-0.174296	0.8632
X1Z2	-0.931869	0.935937	-0.995654	0.3298
X2Z2	-0.247231	0.266582	-0.927408	0.3633
X1Z3	-10.70175	9.594805	-1.115369	0.2762
X2Z3	1.649409	1.131777	1.457362	0.1585
X1Z4	-2.935536	6.728923	-0.436256	0.6667
X2Z4	-0.023032	0.048901	-0.471000	0.6421

Effects Specification

Cross-section fixed (dummy variables)

R-squared	0.898812	Mean dependent var	1.936724
Adjusted R-squared	0.753628	S.D. dependent var	3.295230
S.E. of regression	1.635615	Akaike info criterion	4.107340
Sum squared resid	61.53042	Schwarz criterion	5.326002
Log likelihood	-83.05919	Hannan-Quinn criter.	4.580954
F-statistic	6.190877	Durbin-Watson stat	2.917156
Prob(F-statistic)	0.000012		

Based on the table of data test results at Eviews above, it shows that the variables of the Independent Board of Commissioners, Audit Committee, Managerial Ownership and Institutional Ownership cannot moderate the effect of Earnings Management and Funding

Decisions on Firm Value, because each value of t count < t table = 2020. From the table above, the results can be explained as follows:

a) The role of the Audit committee does not moderate the effect of real earnings management on firm value. This is because the variable X1Z1 has a tcount <ttable from the negative side (-0.233 <-2.020) so that Ho is accepted and Ha is rejected.
b) The role of the Audit committee does not moderate the effect of real earnings management on firm value. This is because in the variable X2Z1 the value of t count <t table from the negative side (-0.174 <-2.020) so that Ho is accepted and Ha is rejected.
c) The role of the Independent Board of Commissioners does not moderate the influence of funding decisions on company value. This is because the variable X1Z2 has a tcount <ttable from the negative side (-0.995 <-2.020) so that Ho is accepted and Ha is rejected.
d) The role of the Audit committee does not moderate the effect of funding decisions on firm value. This is because the variable X2Z2 has a tcount <ttable from the negative side (-0.927 <-2.020) so that Ho is accepted and Ha is rejected.
e) Managerial ownership does not moderate the effect of real earnings management on firm value. This is because the variable X1Z3 has a tcount <ttable from the negative side (-1.115 <-2.020) so that Ho is accepted and Ha is rejected.
f) Managerial ownership does not moderate the effect of funding decisions on firm value. This is because the variable X2Z3 has a t count <t table (1.457 <2.020) so that Ho is accepted and Ha is rejected.
g) The role of institutional ownership does not moderate the effect of real earnings management on firm value. This is because the variable X1Z4 has a tcount <ttable from the negative side (-0.436 <-2.020) so that Ho is accepted and Ha is rejected.
h) The role of institutional ownership does not moderate the effect of funding decisions on firm value. This is because the variable X2Z4 has a tcount <ttable from the negative side (-0.471 <-2.020) so that Ho is accepted and Ha is rejected.

CONCLUSIONS AND RECOMMENDATIONS

From the results of research that has been conducted on several transportation sector companies in Indonesia in 2018-2020 and also through data analysis above, the following conclusions can be drawn:

a) Discretionary earnings management has no effect on Firm Value. This is because the value of t count <t table (0.354 <2.010) so that Ho is accepted and Ha is rejected.

b) Funding decisions affect the Firm Value. This is because the value of t count > t table (4.762 > 2.010) so that Ho is rejected and Ha is accepted. This significant influence indicates that investors pay attention to the form of company investment to assess a company.

c) The role of the Audit Committee, Board of Commissioners, Managerial Ownership and Institutional Ownership does not moderate the effect of real earnings management and funding decisions on firm value. This is because the value variable t count < t table from the negative side so that Ho is accepted and Ha is rejected.

Suggestions from researchers that can be given after conducting this research are as follows:

Academic Advice

1. Research that will be carried out in the future can use objects other than transportation companies, namely sectors in other types of businesses listed on the IDX so that the results to be obtained in subsequent studies are able to describe the condition of companies in Indonesia.
2. Future research is suggested to use a variety of other variables, such as sales growth, investment decisions, capital structure, and financial risk.
3. Subsequent research can use other time periods besides 2018-2020 in order to be able to find out the development of the Indonesian economy in the following phases.

Practical Advice

1. The conclusion of this study is that funding decisions affect firm value. For this reason, companies must be wise in considering funding decisions so that the resulting company value is as expected.
2. Based on this research, investors and creditors must be more careful in assessing the profits presented by the company in the financial statements, because there is a possibility that the company does earnings management so that what is presented in the financial statements does not match the reality in the company.
3. Suggestions for auditors to be able to increase awareness and thoroughness of procedures in conducting audits at companies, especially during a pandemic.

REFERENCE

Agoes, Sukrisno. 2011. Etika Bisnis dan Profesi. Jakarta: Salemba Empat.

Badertscher, Brad., Katz, Sharon P., Rego, Sonya P. 2011. *The Impact of Private Equity Ownership on Corporate Tax Avoidance. Harvard Business School Working Paper*.

Brigham, F.E dan J.F.Houston. 2014. Dasar dasar Manajemen Keuangan. Penerjemah: Ali Akbar Yulianto. Edisi Kesepuluh, Buku 1. Jakarta: Salemba Empat.

Indrarini, Silvia. 2019. Nilai Perusahaan Melalui Kualitas Laba. Jakarta: Scopindo Media Pustaka.

Junchristianti, Y. (2015). Pengaruh Mekanisme *Corporate Governance* Terhadap Hubungan Antara Manajemen Laba Dengan Nilai Perusahaan. Jurnal Ilmu dan Riset Akuntansi, 4(3), 1-25.

Keown, A. J., Martin, J. D., Petty, J. W., & Scoot, D. F. J. (2010). Manajemen Keuangan: Prinsip dan Penerapan Jilid 2. Edisi 10. Jakarta: Indeks.

Pertiwi, D. A. (2010). Analisis Pengaruh Earning Management Terhadap Nilai Perusahaan Dengan Peranan Praktik Corporate Governance Sebagai Moderating Variabel pada Perusahaan yang Terdaftar di Bursa Efek Indonesia Periode 2005-2008. Skripsi Sarjana Ekonomi Universitas Diponegoro.

Roychowdhury, S. (2006). Earnings Management Through Real Activities Manipulation. Journal of Accounting and Economics, 42, 335-370.

S. Munawir (2002). Analisis Informasi Keuangan. Edisi Pertema. Yogyakarta: Liberty Yogya.

Sudana, I Made, 2011, Manajemen Keuangan Perusahaan, Edisi Kedua, Jakarta: Erlangga.