THE ROLE OF OWNERSHIP CONCENTRATION AS MODERATION ON BIOLOGICAL ASSET INTENSITY, COMPANY SIZE, AND FIRM GROWTH ON BIOLOGICAL ASSET DISCLOSURE IN AGRICULTURAL INDUSTRY IN INDONESIA

Rosalia Rezensky 1, Hendro Lukman1*

1Faculty of Economics and Business, Universitas Tarumanagara, Jakarta - 11470, Indonesia
*Email: hendrol@fe.untar.ac.id

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ABSTRACT
Disclosure in financial statements is now important for users. The purpose of this study is to empirically prove whether there is an influence between Biological Asset Intensity, Company Size, and Firm Growth on Biological Asset Disclosure. In addition, this study wants to see whether the Ownership Concentration moderates the relationship between those variables. The population of this study is agricultural companies listed on the Indonesia Stock Exchange (IDX) in the period 2018 to 2020. Purposive sampling was used the sampling technique and the total sample obtained was 51 samples. The data were processed using SPSS ver 26.0 with multiple regression analysis and Moderated Regression Analysis (MRA) methods. The results of the analysis of this study found that Biological Asset Intensity, Company Size, and Firm Growth did not have a significant effect on Biological Asset Disclosure. The results of the moderation analysis, Ownership Concentration proves to strengthen the relationship between Biological Asset Intensity and Company Size on Biological Asset Disclosure. However, Ownership Concentration has been shown to weaken the relationship between Firm Growth and Biological Asset Disclosure. The implication of this research is the need to increase the role of centralized ownership in terms of financial statements in order to provide added value for investors.

Keywords: Biological Asset Intensity, Company Size, Firm Growth, Biological Asset Disclosure, Ownership Concentration

1. INTRODUCTION

Indonesia is known as an agricultural country. This is because the majority of the Indonesian population is engaged in the agricultural sector as their source of livelihood. In addition, this country also has fertile soil and land, making it easier for farmers to grow various types of crops and enjoy the results obtained from these crops. Not only plants, farmers also manage and breed various types of animals such as cows, chickens, sheep, fish and so on. Yields of bred animals can be a source of income apart from crops. The agricultural sector has become a large part of the Indonesian economy. Despite the pandemic in 2020, agriculture in Indonesia is still able to improve its performance and production in the agricultural sector. In addition, because the higher the level of agricultural production each year, the greater the assets in the form of animals and plants belonging to the state. These assets are called biological assets. IAS 41 defines this biological asset as a living animal or plant. Assets owned by the agricultural sector are different from assets owned by other sectors. The advantages of this country in the form of biological assets can be seen by all countries when disclosed in financial statements. By disclosing it in the financial statements, domestic companies engaged in the agricultural sector can compete with foreign companies operating in the same sector. Financial reports are considered to be of high quality when clear and complete disclosures are made that will later make it easier for users of the financial statements to understand and compare the information contained therein [1]. Financial statements that have complete disclosures also prevent information asymmetry among
investors and other interested parties, an accountant will remove any creditability as a professional accountant. The accounting treatment of biological assets which includes measurement, reporting, presentation, and disclosure is regulated in the international accounting standard, namely IAS 41 which was later adopted by the Institute of Indonesian Chartered Accountants (IAI) to become Statement of Financial Accounting Standards Statement of Financial Accounting Standards (PSAK) 69 which was approved by the Financial Accounting Standards Board on December 16, 2015 and effective January 1, 2018 [2]. PSAK 69 applicable in Indonesia must be applied to all agricultural companies. In the first year that PSAK 69 was effective, there were still several agricultural corporations that had not absolutely enforced PSAK 69 relating to the speech act of biological assets. There are 12 companies that have not fully disclosed their biological assets in accordance with PSAK 69 guidelines, among others, PT Bisi International Tbk., PT Astra Agro Lestari Tbk., PT Dharma Satya Nusantara Tbk., PT Gozco Plantations Tbk., PT Jaya Agra Wattie Tbk., PT Multi Agro Gemilang Plantation Tbk., PT Provident Agro Tbk., PT Salim Ivomas Pratama Tbk., PT Sinar Mas Agro Resources and Technology Tbk., PT Sawit Sumbermas Sarana Tbk., PT Tunas Baru Lampung Tbk., and PT Bakrie Sumatera Plantations Tbk. This is because the company is still in the adjustment stage to the newly implemented PSAK. In addition, many matters regarding biological assets haven't been disclosed as a result of their thought of immaterial [3].

Related Work

The results of previous studies declared that Biological Assets, Company Size, associated Firm Growth had an influence on the revelation of biological assets, however there have been conjointly people who stated that that they had no effect. In this study, the relationship between these variables will also be analyzed if moderated by the managerial ownership variable

Our Contribution

Based on the above background conditions, this research is expected to be input for agricultural companies to follow accounting standards regarding applicable biological assets and for investors, it is hoped that this research can provide knowledge regarding factors that can be considered in making investment decisions.

2. THEORETICAL REVIEW AND HYPOTHESIS DEVELOPMENT

Literature Review

Agency Theory

Agency theory is a principle that explains the connection among principals and agents, where the principal represents the investors while the agent represents the company's management in charge of making decisions related to the company [4]. Conflicts of interest are considered to arise between the principal and the agent because each individual has his own motivation for his own interests [5]. These differences in motivation lead to conflict. This conflict arises because of the information asymmetry between the two investors and agents. The information obtained by investors is not necessarily the same as the information held by agents [6]. This conflict creates agency costs because of the information asymmetry. This information asymmetry occurs when the management is considered to know more information about the
company than the investors [7]. Therefore, extensive disclosure is needed from the company to be able to reduce the occurrence of information asymmetry. According to [7] revealed that with extensive disclosure, principals can observe and evaluate their investments and the condition of the company. Reducing information asymmetry will also have an impact on decreasing agency costs.

**Signalling Theory**

The Signal theory is a signal given by companies to users of financial statements. The signal given is information about the activities carried out by the company's management in order to realize the owner's wishes [8]. Information that is considered a signal will affect the assessment of creditors and investors of the company. The information provided by the company can be a positive signal or a negative signal (Hayati & Serly, 2020). The company hopes that with a positive signal, it can get a high company price due to the low level of information asymmetry that occurs [8]. Signal theory answers the problem of information asymmetry where the level of information asymmetry problems can be reduced by disclosing information by companies. The company's reputation can also increase due to positive signals that have created an impression to investors that there is good company performance in the company. The signals provided can assist investors in making investment decisions and reduce uncertainty [9].

**Biological Assets Disclosure**

Disclosure of biological assets applied by agricultural firms is anticipated to accommodates PSAK 69 that has been active as of January 1, 2018. Based on the applied PSAK 69, biological assets can be divided into productive and consumable biological assets, or mature and immature biological assets. According to [10] Disclosure of biological assets (Biological Asset Disclosure) is economic information disclosed by companies in financial statements, both financial and non-financial, even other information that can reflect the condition and position of the company. Biological assets recognized and regulated in PSAK 69 are biological assets and agricultural products, except for productive plants.

**Biological Assets Intensity**

Agricultural companies have biological assets which are considered the main assets of the company because biological assets play a role in the main cycle of the company. Biological Asset Intensity indicates how much the agency invests in its biological assets and describes the cash expectations that will be received if biological assets are sold [11]. The results of the research conducted [9] display that Biological Asset Intensity has a high-quality and extensive impact on Biological Asset Disclosure. However, according to [12] stated that the intensity of the biological asset has no effect on the disclosure of the biological asset.

**Company Size**

The length of the belongings owned through an agency describes the dimensions of the agency. If the company is large, the assets owned are also large and vice versa [13]. The commitment of a company to continuously improve or improve the company's performance can be seen from the size of the company. The large size of the company makes investors willing to pay dearly to get their shares [13]. According to [1], Company Size has a positive and significant effect on Biological Asset Disclosure. This is different from the research
results [13] which specify that the size of the company does not affect the disclosure of the biological asset.

**Firm Growth**

Firm growth describes the corporate' ability to extend company profits so as to attain growth among the company [12]. According to (Selahudin et al., 2018), the company's growth depends on the goals of the organizational leadership as well as the methods used to develop the business from a small market to a trading operation with a larger volume. According to research [8], the growth of companies has a positive and significant impact on the disclosure of biological assets. However, [12] stated the opposite result that Firm Growth did not affect Biological Asset Disclosure.

**Ownership Concentration**

Ownership concentration is a measure of shareholder ownership in which the shareholder with the largest percentage can control the company's ownership and control business activities within the company (Kartikasari, Rahmatika, & Sumarno, 2021). The results of research conducted by [14] found that Ownership Concentration has a positive and significant effect on Biological Asset Disclosure. But on the contrary, the results of the study [11], stated that Ownership Concentration had no effect on Disclosure of Biological Asset.

**Hypotheses Development**

The research carried out by [15] shows that the intensity of the biological asset has a positive impact on the revelation of biological assets. Confidence from stakeholders to be involved in the company will increase if the value of the company's assets increases. Biological Asset Intensity shows how big the intensity of the company's biological assets where the greater the intensity of biological assets, the higher the stakeholder's confidence to involve themselves in the company. Signal theory says that the company will try to give a positive signal to investors in order to get more capital to encourage the company's operational activities. This theory certainly supports the factor of the intensity of biological assets. This is because if the company has a high intensity of biological assets, it will provide a positive signal for investors because the intensity of biological assets describes future cash flows that can be received by the company if biological assets can be sold later. The intensity of biological assets can be seen from how many biological assets the company has. The results of this study correspond to the results of the investigation [11], [9], and [1].

**H1:** Intensity of Biological Asset has a positive and substantial impact on Disclosure of Biological Asset.

The results of the study revealed by [13] shows that the size of the company has a positive impact on the disclosure of biological assets. Influence occurs because larger companies need to maintain their reputation by disclosing information needed by stakeholders. In addition, large companies have sufficient resources to support the disclosure costs compared to small businesses. Agency theory prioritizes good company performance. Good company performance can be achieved if the company can reduce agency costs due to information asymmetry that can occur if the company's financial statements are not disclosed publicly. Therefore, this theory supports the factor of company size because the larger the company, the company must disclose its financial statements in full, especially its assets, in order to increase public trust and reduce agency costs. The size of the company can be seen from the
assets owned by the company. The results of the study [13] apply with the results of research [1] and [15], which confirm that the size of the company has an impact on the disclosure of biological assets.

**H2**: The Size of the Company has a positive and substantial impact on Disclosure of Biological Asset.

Based on research conducted by [8], it is proven that the growth of the firm has a positive impact on Disclosure of Biological Asset. This shows that the increase in the revelation of biological assets is in line with the growth of the company. Signal theory goes hand in hand with company growth. This is because the signal theory states that the company will try to give a positive signal to investors to obtain more capital for the company. Meanwhile, company growth can give a positive signal to the company because company growth indicates increased company assets or sales. In this study, the growth of the company is assessed based on the growth of the company's assets.

**H3**: The Growth of the Firm has a positive and substantial impact on Biological Asset Disclosure.

The more concentrated the ownership, the greater the supervision that relates to the performance of the company. Biological assets intensity affects the performance of the company because biological assets intensity can provide an overview of future cash flows. Ownership Concentration will certainly consider the full and extensive revelation of biological assets, since the intensity of biological assets also concern the performance of the company in which the company is considered the performance of the company. Based on the first hypothesis, the intensity of biological assets can be supported by signal theory because it also gives a positive signal to investors. Agency theory also supports this hypothesis due to the involvement of ownership concentration where ownership concentration tries to improve company performance by attracting investors, reducing agency costs and avoiding information asymmetry. Directly, the intensity of biological assets and ownership concentration work together to improve company performance.

**H4**: Ownership Concentration strengthens the relationship between Intensity of Biological Asset and Disclosure of Biological Asset.

Company size can affect the results of company performance because company size describes high assets where high assets support the company's ability to produce. Concentrated ownership will see that the dimensions of the agency can interpret the agency’s overall performance and could disclose information about assets, especially biological assets more broadly and completely. This is in accordance with the signal theory because it can be a positive signal for the company. In addition, with the ownership concentration that seeks to improve company performance, this is in line with agency theory. With the size of the company, ownership concentration can improve the company's performance.

**H5**: Ownership Concentration strengthens the relationship between Company Size and Biological Asset Disclosure.

When the company is experiencing growth, the company will get a lot of attention from the public. This opportunity is used by companies with Ownership Concentration as decision makers to make complete and broad disclosures. This is done to attract investors to make investment decisions. This means that company growth and ownership concentration can work together to give positive signals and improve company performance by reducing agency costs and attracting investors to invest their capital. Therefore, signal theory and agency theory are in line with this hypothesis.
**H6**: Ownership Concentration strengthens the relationship between Firm Growth and Biological Asset Disclosure.

The research model is represented as follow:

![Research Model](image)

**Figure 1 Research Model**  
Source: Compiled by Author

### 3. METHODOLOGY

This study uses a causal research design, as this study should check the effect of multiple independent variables on the disclosure of biological assets in the companies operating in the agricultural sector. The data in this study is secondary data taken from the website www.idx.co.id which has been audited and archived. The data that has been collected is processed using a data processing application, namely IBM SPSS Statistics Version 26 with multiple regression analysis and Moderated Regression Analysis (MRA) methods. Multiple regression analysis is used when testing the independent variable with the dependent variable without any intermediate (moderating) variable. In this research, multiple regression analysis is used to test first, second, and third hypothesis. While the fourth, fifth, and sixth hypothesis use moderated regression analysis because there are moderating variables between the independent and dependent variables being tested. The population in this study is the companies which participated in the Agricultural sector and listed in the Indonesian Stock Exchange (IDX) for the period 2018-2020 are 22 companies in the Agricultural sector, namely (1) did not on de-listing for the 2018-2020 period, (2) issued audited financial statements for the 2018-2020 period, (3) have financial statements provide data in accordance with the proxies of the research operational variables in the 2018-2020 period as follows:
Table 1 Operational Variables & Formula

<table>
<thead>
<tr>
<th>No.</th>
<th>Variables</th>
<th>References</th>
<th>Formula</th>
<th>Measurement</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Biological Asset Intensity (BAI)</td>
<td>Alfiani &amp; Rahmowati</td>
<td>$\frac{BAI}{Total , Assets}$</td>
<td>Ratio</td>
</tr>
<tr>
<td>2.</td>
<td>Firm Size (FS)</td>
<td>Alfiani &amp; Rahmowati</td>
<td>$FS = \ln(Total, Assets)$</td>
<td>Ratio</td>
</tr>
<tr>
<td>3.</td>
<td>Firm Growth (FG)</td>
<td>Alfiani &amp; Rahmowati</td>
<td>$FG = \frac{Total, Assets}{Total, Assets_{\text{net}}}$</td>
<td>Ratio</td>
</tr>
<tr>
<td>4.</td>
<td>Ownership Concentration (OC)</td>
<td>Joulanda &amp; Wahidahwati</td>
<td>$OC = \frac{The , Biggest , Ownership , \text{Outstanding}, \text{Stock}}{Index, #, \text{of}} \times 100%$</td>
<td>Ratio</td>
</tr>
<tr>
<td>5.</td>
<td>Biological Asset Disclosure (BAD)</td>
<td>Selahudin et al.</td>
<td>$BAD = \frac{\sum d_i}{m}$</td>
<td>Ratio</td>
</tr>
</tbody>
</table>

Source: Compiled by Author

4. TEST RESULT, CONCLUSION AND LIMITATION

Test Result

Descriptive statistical tests were conducted to provide a description of the data of the tested variables in the form of the average (mean), the largest value (maximum), the smallest value (minimum), and standard deviation. These results can be seen in the table below:

Table 2 Descriptive Statistics Test Results

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>BAI</td>
<td>51</td>
<td>.002</td>
<td>.119</td>
<td>.01562</td>
<td>.016655</td>
</tr>
<tr>
<td>CS</td>
<td>51</td>
<td>26,895</td>
<td>31,198</td>
<td>29.57121</td>
<td>1.225620</td>
</tr>
<tr>
<td>FG</td>
<td>51</td>
<td>-37,143</td>
<td>73,522</td>
<td>4.43696</td>
<td>18.763051</td>
</tr>
<tr>
<td>OC</td>
<td>51</td>
<td>27,563</td>
<td>99,703</td>
<td>55.68952</td>
<td>20.626686</td>
</tr>
<tr>
<td>BAD</td>
<td>51</td>
<td>.237</td>
<td>.368</td>
<td>.28582</td>
<td>.041088</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>51</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: SPSS

There are four types of tests which recognized as classical assumption: the first one is multicollinearity test, second is heteroscedasticity test, third one is autocorrelation test, and the last one is normality test.

The normality test with the Kolmogorov-Smirnov One-Sample show a significance value of 0.200, which concluded the data are in normal conditions. For the multicollinearity test, the tolerance Variance Inflation Factor (VIF) for the variables BAI, CS, FG, and OC is 1.191; 1.034; 1.172; and 1.039 so it can be concluded that it is multicollinearity. Autocorrelation test using Durbin-Watson test. shows the Durbin-Watson of 1.804 where this number is greater than dU and smaller than 4-dU, thus the autocorrelation variable in the research data. Heteroscedasticity test using the glejser test showed a significance value of 0.538; 0.580; 0.611; and 0.365, all of which are bigger than 0.05. In that case, it can be concluded that there is no heteroscedasticity in those research data.
From all classical tests that have met the requirements, then a regression test is carried out. These results can be seen in the table below:

**Table 3 t-Test Result**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>0.277</td>
<td>0.132</td>
<td>2.102</td>
<td>0.041</td>
</tr>
<tr>
<td>BAI</td>
<td>0.702</td>
<td>0.354</td>
<td>0.284</td>
<td>1.983</td>
</tr>
<tr>
<td>FS</td>
<td>-0.001</td>
<td>0.004</td>
<td>-0.034</td>
<td>-2.254</td>
</tr>
<tr>
<td>PG</td>
<td>0.000</td>
<td>0.000</td>
<td>0.084</td>
<td>0.599</td>
</tr>
<tr>
<td>OC</td>
<td>0.001</td>
<td>0.000</td>
<td>0.275</td>
<td>2.051</td>
</tr>
</tbody>
</table>

Source: SPSS

The equation is represented as follows:

\[
BAD = 0.277 + 0.702 \text{BAI} - 0.001 \text{CS} + 0.000 \text{FG} + 0.001 \text{OC} + \varepsilon
\]

Then, the results of the t test with ownership concentration moderation are:

**Table 4 t-Test Result with Moderated Ownership Concentration**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>1.179</td>
<td>0.391</td>
<td>3.016</td>
<td>0.004</td>
</tr>
<tr>
<td>BAI</td>
<td>-2.427</td>
<td>1.942</td>
<td>-0.964</td>
<td>-1.249</td>
</tr>
<tr>
<td>FS_OC</td>
<td>-0.031</td>
<td>0.013</td>
<td>-0.912</td>
<td>-2.283</td>
</tr>
<tr>
<td>PG</td>
<td>0.003</td>
<td>0.001</td>
<td>1.546</td>
<td>3.493</td>
</tr>
<tr>
<td>OC</td>
<td>-0.015</td>
<td>0.006</td>
<td>-7.304</td>
<td>-2.414</td>
</tr>
<tr>
<td>BAI_OC</td>
<td>0.059</td>
<td>0.027</td>
<td>1.940</td>
<td>2.198</td>
</tr>
<tr>
<td>FS_OC</td>
<td>0.000</td>
<td>0.000</td>
<td>7.500</td>
<td>2.431</td>
</tr>
<tr>
<td>PG_OC</td>
<td>-6.92E-02</td>
<td>0.000</td>
<td>-1.780</td>
<td>-3.518</td>
</tr>
</tbody>
</table>

Source: SPSS

The equation is represented as follow:

\[
BAD = 1.179 - 2.427 \text{BAI} - 0.31 \text{CS} + 0.003 \text{FG} - 0.015 \text{OC} + 0.059 \text{BAIOC} + 0.000 \text{CSOC} - 6.928 \text{FGOC}
\]

Table 3 shows the Biological Assets Intensity, with a significant 0.53, 0.80 Company Size, and 0.558 Firm Growth, so that all variables have no effect on Biological Assets Disclosure, although they have a positive relationship, except for Company Size. However, the results of the influence test with Ownership Concentration moderation on table 4, shows that all variables have a quite significant effects on Biological Asset Disclosure with a significant value of 0.33 for Biological Assets Intensity, 0.019 for Company Size and 0.001 for Firm Growth with a positive correlation coefficient except for firm growth. From this, the relationship between Biological Assets Intensity, and Company Size, and Firm Growth is
strengthened by that ownership concentration, but the strengthening of Firm Growth shows a reverse direction without being moderated by Ownership Concentration. This can also be proven by looking at the Adjusted R-Square value which is greater than before the moderation. Adjusted R-Square value after moderation increased to 34%. Meanwhile, prior to the moderation, the Adjusted R-Square value was only 13.6%.

**Discussion**

The hypotheses test result concluded as follows:

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Sig.</th>
<th>Tcount</th>
<th>Table</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biological Asset Intensity has a positive and significant effect on Biological Asset Disclosure</td>
<td>0.702</td>
<td>0.053</td>
<td>1.983</td>
<td>2.013</td>
<td>H1 rejected</td>
</tr>
<tr>
<td>Company size has a positive and significant effect on Biological Asset Disclosure</td>
<td>-0.001</td>
<td>0.800</td>
<td>-0.254</td>
<td>2.013</td>
<td>H2 rejected</td>
</tr>
<tr>
<td>Firm growth has a positive and significant impact on Biological Asset Disclosure</td>
<td>0.000</td>
<td>0.558</td>
<td>0.590</td>
<td>2.013</td>
<td>H3 rejected</td>
</tr>
<tr>
<td>Ownership Concentration strengthens the relationship between Biological Asset Intensity and Biological Asset Disclosure</td>
<td>0.59</td>
<td>0.033</td>
<td>2.198</td>
<td>2.017</td>
<td>H4 accepted</td>
</tr>
<tr>
<td>Ownership Concentration strengthens the relationship between Company Size and Biological Asset Disclosure</td>
<td>0.000</td>
<td>0.019</td>
<td>2.431</td>
<td>2.017</td>
<td>H5 accepted</td>
</tr>
<tr>
<td>Ownership Concentration strengthens the relationship between Firm Growth and Biological Asset Disclosure.</td>
<td>-6.928</td>
<td>0.001</td>
<td>-3.518</td>
<td>2.017</td>
<td>H6 rejected</td>
</tr>
</tbody>
</table>

Source: SPSS

Based on the test results, there is no impact of biological asset intensity prior to moderation on biological asset disclosure, it is in line with the research of [12], however, not contrary to the research of [9], [11], [7], [1] and) [15], although they have a positive relationship, it means that if the Biological Asset Intensity increases, there will also be an increase in the company's disclosures regarding the company's biological assets. and detail will provide a positive signal for users of financial statements, especially investors. This is in accordance with the signal theory, where the company tries to give a positive signal to users of financial statements, especially investors so that many investors are interested in getting involved and investing in the company. Not only that, biological assets are living plants and animals so their value will always change. To reduce information asymmetry and uncertainty in financial statements, companies will always disclose their biological assets regardless of the intensity of the company's biological assets.

Company Size have a negative and insignificant effect on Biological Asset Disclosure, this study was rejected in line with the research of [16]. There is a negative relationship between the variable company size and the variable biological asset disclosure, indicating that the smaller the size of a company, the greater the company's biological asset disclosure. This is common to do because companies that have a small size want to compete with other large companies. Companies want to compete in order to attract investors. If viewed from the perspective of agency theory, companies do not use agency costs as a reference for extensive disclosure of biological assets. This is not in line with agency theory, where the larger the
company, the greater the level of disclosure that will be made in order to reduce agency costs that will arise.

Firm growth has a positive and negligible impact on biological asset disclosure, which relevant with the research of [9]. However, this is not in line with the research of [8]. The existence of a positive relationship occurs because when a company experiences growth, the company will be in the spotlight of many people, including investors. Therefore, the company will see this as a good opportunity to attract investors. The company will make more extensive and detailed disclosures so that it can provide more information to users of financial statements. In accordance with the signal theory where the company will give a positive signal to investors. The more investors the company has, the more the company’s growth will be driven to increase the value of the company. In ownership concentration, factors encourage companies to provide more complete information on biological asset disclosures and are expected to provide positive information or signals for investors to make decisions about their investments, although Steady Growth encourages biological asset disclosures in general unaffected, meaning it grows. Whether or not the company, disclosure of biological sets should be given as complete as possible. Overall, by using ownership concentration as moderation, this is in accordance with the signal and agency theory where the company tries to give a good signal to investors and tries to reduce agency costs in order to improve the company’s performance.

This study represents where the disclosure of biological assets in the financial reports of agricultural companies is quite important. As for investors, disclosure of biological assets helps assess the health of the company, and as information in making investment decisions. For companies, this disclosure will be able to affect stock prices in the capital market so that it can increase Firm Value and increase market capitalization value.

The implication of this research is that the disclosure of biological assets needs to be applied by companies by following PSAK 69 which has been effective since 2018. The role of internal and external auditors in implementing PSAK 69 provides good quality assurance on biological asset disclosures. As an addition, the role of ownership concentration, or the size of the owner, is to encourage management to increase information on the disclosure of biological assets in financial disclosures in order to increase the value of the company and the perception of the company's condition for investors, so that investment decisions by investors will be correct.

**Conclusions**

Based on the tests that have been carried out to test the hypothesis, it was found that six results were in accordance with the number of hypotheses, including Biological Asset Intensity has a positive and insignificant effect on Biological Asset Disclosure, Company Size has a negative and insignificant effect on Biological Asset Disclosure, Company growth has a negative and insignificant effect on Biological Asset Disclosure positive and insignificant effect on Biological Asset Disclosure, Ownership Concentration strengthens the relationship between Biological Asset Intensity and Biological Asset Disclosure, Ownership Concentration strengthens the relationship between Company Growth and Biological Asset Disclosure, and Ownership Concentration weakens or is unable to strengthen the relationship between Company Growth and Biological Assets Disclosure. Overall, it is evident that the moderating variable used, namely Ownership Concentration, is able to strengthen the
relationship between the Biological Asset Disclosure and Company Size variables but weakens the Company Growth variable.

This study not only conveys the results of hypothesis testing, but through this research it can be concluded that the disclosure of biological assets is very important for companies. The existence of wider disclosure of biological assets illustrates the company's compliance in complying with PSAK 69 which has been applied and the transparency of information from the company to outside parties to avoid information asymmetry. In addition, disclosure can be used as a signal to help investors make investment decisions. The better and wider the level of disclosure made by the company, the more investors will trust and be attracted to the company. For this reason, the company is obliged to maintain or even increase the level of disclosure made by the company.

Limitation

The limitations of this research include: (a) The research period is only limited to the period 2018 to 2020 because the regulations came into effect in 2018 in accordance with PSAK 69, (b) not many agricultural companies included in PSAK 69 are listed on the IDX.

Based on the described conclusions and restrictions described, proposals that agricultural companies can provide a long time, and for investors investing in agricultural enterprises pay attention to the disclosure of biological assets in the financial statements of the company in making investment decisions. This is due to the fact that biological assets are the main assets for agriculture company and biological assets that drive the main things for these companies.

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