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TABLE OF CONTENTS

“The Effect of Fair Value Accounting for Long-Lived Assets on Information Risk” Weitzu Chen and Li-Peng Hsiao	1
“The Effect of Accounting Conservatism on Corporate Investment Behavior” Souhei Ishida and Kunio Ito	2
“Accrual Reversal Effect and Conservatism” Jumpei Nishitani	3
“The Relationship between IFRS Initial Adoption Reconciliations and Accounting Quality: The Case of Taiwan” Huoshu Peng, Mei-Hui Chen and Hui-Yu Yu	4
“The Role of Audit Quality in Enhancing the Market Consequences of Increased Voluntary Disclosure in Different Context of Accounting Standards: Cross Country Analysis in Asia” Ratna Wardhani	5
“The Relation between Earnings Quality and Capital Cost: Toward Convergence of Japan GAAP with the IFRSs” Ichiro Mukai, Satoll Nishiumi and Kazuhiro Manabe	6
“State Audit in Vietnam and Roles of Forensic Accounting in Public Sector Accounting” Pham Quang Huy and Vo Van Nhi	7
“The Effect of Auditors’ Job Satisfaction on the Influence of Ethical Conflict on Auditors’ Inventory Judgments” Radzi Jidin, Ji Yan Lum and Gary S. Monroe	8
“Earnings Management and Audit Fee Responses in New Zealand” Hoai Nam Le	9
“Audit Firm’s Client Portfolio Management Decisions: Does Industry Expertise Matter?” Chan-Jane Lin and Yu-Ting Hsieh	10
“Does Size Matter: A Study on Audit Team Attributes and Audit Fees” Sarowar Hossain and Kenichi Yazawa	11
“Earnings Management and Government Restrictions on Outward Foreign Direct Investment: Evidence from Taiwanese Firms” Audrey Wenhsin Hsu and Rong-Ruey Duh	12



“Ownership Structure, Assets Impairment Reversals, Locality of Auditors and Earnings Management—Evidence from China”	
Pauline W. Y. Wong.....	113
“Top-Executives’ Compensation in Japan: Relationship with Earnings Components and Corporate Control”	
Mohammed Mehadi Masud Mazumder	114
“Implementation of International Financial Reporting Standards (IFRS) and the Quality of Financial Statement Information in Indonesia: An Investigation of Earnings Management, Timely Loss Recognition, and Value Relevance”	
<u>Enggar Diah Puspa Arum</u>	115
“Comparative Study on the Effects of Internal Control Reporting in Japan and China”	
Toshifumi Takada, Yanhong Pang, Yoshitaka Ohashi and Yuanlin Li	116
“IFRS Convergence in Indonesia: Contextual Issues and Challenges”	
Dewi Fatmawati	117
“The Effect of IFRS Adoption to Value Relevance of Goodwill: Evidence from Indonesia Stock Exchange”	
Nico Iswaraputra and Aria Farahmita	118
“The Assurance Services of Sustainability Reporting: Preliminary Evidence from a Developing Country”	
Chee Kwong Lau and Christine Kher Sing Gan	119
“Environmental Disclosure in Multinational Companies: An Empirical Study on Developed and Emerging Markets”	
Helena Ahulu, Omar Al Farooque and Subba Reddy Yarram	120
“The Impact of Social and Environmental Information on Managers’ Decision”	
Afdal and Mahfud Sholihin	121
“Sustainability Disclosure on Malaysian University Websites”	
Corina Joseph, Adeline Engkamat and Rudy Tawie.....	122
“Governance in the Not-For-Profit Sector: In International Perspective”	
Lisa Barnes and Keith Howson	123
“The Effects of Corporate Governance and Product Market Competition on Payout Policy under Agency Problems and External Financing Constraints”	
Lee-Hsien Pan, Chien-Ting Lin and Hsing-Hua Huang	124



**IMPLEMENTATION OF INTERNATIONAL FINANCIAL REPORTING
STANDARDS (IFRS) AND THE QUALITY OF FINANCIAL STATEMENT
INFORMATION IN INDONESIA: AN INVESTIGATION OF EARNINGS
MANAGEMENT, TIMELY LOSS RECOGNITION, AND VALUE RELEVANCE**

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ABSTRACT

Following the mandatory implementation of International Financial Reporting Standards (IFRS) in Indonesia, this research examines its impacts on the quality of financial statement information in Indonesia which are measured by the proxy of earnings management, timely loss recognition, and value relevance of accounting information. Research was conducted on 117 companies that are listed in Indonesia Stock Exchange determined by judgment sampling techniques and analyzed using multiple linear regression and logistic regression. The empirical results indicate that the implementation of IFRS has an effect to decreased the scope of earnings management and increased the value relevance of accounting information, but has no effect to increase the timely loss recognition. These findings contribute to the question of whether high quality standards are effective in countries with weak investor protection rights.

