

ANALYSIS OF THE EFFECT OF CASH FLOW COMPONENTS ANACCOUNTING PROFIT ON STOCK PRICES WITH EARNINGS PERSISTENCY AS INTERVENING VARIABLES IN GOODS COMPANIESCONSUMPTION REGISTERED IN INDONESIA STOCK EXCHANGE

Dewi Karina Damayanti, Ade Fatma Lubis, Syahyunan
Universitas Sumatera Utara
dewi.karina@yahoo.com

The objective of the research was to examine and to analyze the influence of the components of cash flow (operational cash flow, investment cash flow, and financing cash flow) and accounting profit on stock price with earnings persistence as intervening variable in consumer goods companies listed in the Indonesia Stock Exchange. The research used causal method and secondary data. The population and the samples were 25 consumer goods companies listed in the Indonesia Stock Exchange in the period of 2010-2014. The data were analyzed by using linear regression analysis and path analysis for intervening variable. The result of the research showed that, simultaneously, the components of cash flow (operational cash flow, investment cash flow, and financing cash flow) and accounting profit had significant influence on earnings persistence and stock price. Partially, operational cash flow had positive and significant influence on earnings persistence. Operational cash flow and accounting profit also had positive and significant influence on stock price. It was also found that earnings persistence could only mediate the correlation of the components of cash flow (operational cash flow, investment cash flow, and financing cash flow) with stock price, and it could not mediate the correlation of accounting profit with stock price.

Keywords: *Operating Cash Flow, Investment Cash Flow, Financing Cash Flow, Accounting Profit, Earnings Persistence, Stock Price*

INTRODUCTION

Investors before investing their funds in a company will analyze and predict the financial condition of the company through financial statements. Investors and creditors use cash flow information as a measure of company performance, because information about cash flows is used as a basis for assessing the company's ability to generate cash, equivalents cash and assess the company's need to use these cash flows. This shows that the cash flow statement has information that is beneficial for investors.

Researchers choose cash flow to be studied because cash flow is one part of the financial statements that are most often asked by leaders and shareholders of the company. Because in the cash flow report can be seen the entry and exit of company funds. Indofarma overstated the value that was supposed to be reported, consequently referring to the presentation of higher profits. Based on this background, researchers poured their research into a thesis with a title : **“ANALYSIS OF THE EFFECT OF CASH FLOW COMPONENTS ANACCOUNTING PROFIT ON STOCK PRICES WITH EARNINGS PERSISTENCY AS INTERVENING VARIABLES IN GOODS COMPANIESCONSUMPTION REGISTERED IN INDONESIA STOCK EXCHANGE”**.

Research Objective

The purpose of this Research was to examine and analyze the effect of good corporate governance mechanisms on earnings management in real estate and property companies listed on the Indonesia Stock Exchange both simultaneously and partially and to test and analyze company size in moderating the relationship between good corporate governance mechanisms and earnings management on real estate and property companies listed on the Indonesia Stock Exchange.

Hypothesis

1. Flow of Investment Cash Flows, Funding Cash Flows) and Accounting Profits simultaneously and partially on the Persistence of Profit and Share Prices of the Company on the Indonesia Stock Exchange.
2. Investment Cash Flows, Investment Cash Flows, and Cash Profit Funding) and Indirect Profit on Company Shares.

METHODOLOGY

The research used is causal associative research. The population in this study were 25 consumer goods companies listed on the Indonesia Stock Exchange in 2010, 2011, 2012, 2013 and 2014. Data obtained from the Indonesia Stock Exchange (IDX) website is www.idx.co.id. In this study, the classic assumption test that will be used is data normality test, multicollinearity test, heteroskedasticity test, and autocorrelation test.

Based on the path analysis model that has been developed to determine the relationship pattern of each of these variables, the equation model can be arranged as follows :

Model 1 : $Y_1 = \beta_1 X_{1.1} + \beta_2 X_{1.2} + \beta_3 X_{1.3} + \beta_4 X_2 + \varepsilon_1$

Model 2 : $Y_2 = \beta_1 X_{1.1} + \beta_2 X_{1.2} + \beta_3 X_{1.3} + \beta_4 X_2 + \beta_5 Y_1 + \varepsilon_2$

Ket:

Y1 = Profit Persistence

Y2 = Share Price

$\beta_1, \beta_2, \beta_3, \beta_4, \beta_5$ = Regression Coefficient

X1.1 = Operating Cash Flow

X1.2 = Investment Cash Flow

X1.3 = Cash Flow Funding

X2 = Accounting Profit

ε = Standard error

RESULTS AND DISCUSSION

Classic Assumption Testing

1. Normality Test

Table 5.2
Kolmogorov-Smirnov Normality Test
Model Equation 1
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		125
Normal	Mean	.0000000
Parameters ^a	Std. Deviation	.46569598
Most	Absolute	.072
Extreme	Positive	.072
Differences	Negative	-.038

Test Statistic	.072
Asymp. Sig. (2-tailed)	.186

a. Test distribution is Normal.

Source: Result of Research, 2017 (Data is Processed)



Source: Result of Research, 2017 (Data is Processed)

Picture 5.2

Normal Probability Plot Normality Test Model Equation 1

Table 5.3

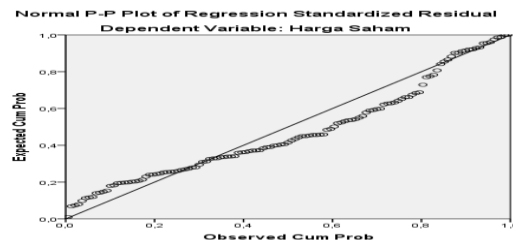
Kolmogorov-Smirnov Normality Test Model Equation 2

One-Sample Kolmogorov-Smirnov Test

			Unstandardized Residual
N			125
Normal Parameters ^a	Mean		.0000000
	Std. Deviation		.58369388
Most Extreme Differences	Absolute		.126
	Positive		.126
	Negative		-.078
Test Statistic			.126
Asymp. Sig. (2-tailed)			.070

a. Test distribution is Normal.

Source: Result of Research, 2017 (Data is Processed)



Source: Result of Research, 2017 (Data is Processed)

Picture 5.4

Normal Probability Plot Normality Test Model Equation 2

Berdasarkan uji normalitas dengan pendekatan *normal probability plot*, titik-titik menyebar cukup dekat dengan garis diagonal. Hal ini mengindikasikan asumsi normalitas pada model persamaan 1 dan 2 terpenuhi.

2. Uji Multikolinieritas

Table 5.4

Multicollinearity Test Model Equation 1

Model	Unstandardized Coefficients		Collinearity Statistics	
	B	Std. Error	Tolerance	VIF
1 (Constant)	-.112	.043		

Arus Kas Operasi	.005	.006	.995	1.005
Arus Kas Investasi	.005	.004	.986	1.014
Arus Kas Pendanaan	.003	.006	.987	1.013
Laba Akuntansi	.004	.035	.992	1.009

a. Dependent Variable: Profit Persistence

Source: Result of Research, 2017 (Data is Processed)

Based on the data processed by SPSS above, it can be seen that there is no multicollinearity in all data variables.

3. Autocorrelation Test

Table 5.6
Model Autocorrelation Test Equation 1
Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.139 ^a	.19	.13	.47339	2.094

a. Predictors: (Constant), Laba Akuntansi, Arus Kas Pendanaan, Arus Kas Operasi, Arus Kas Investasi

b. Dependent Variable: Persistensi Laba

Source: Result of Research, 2017 (Data is Processed)

Table 5.7
Model Autocorrelation Test Equation 2
Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.312 ^a	.28	.20	.59583	1.979

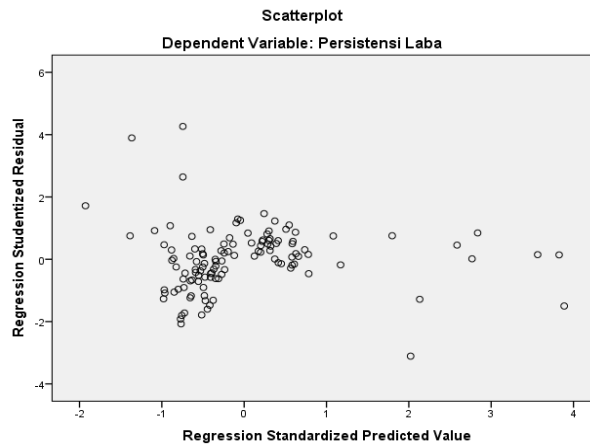
a. Predictors: (Constant), Profit Persistence, Accounting Profit, Cash Flow Funding, Operating Cash Flows, Investment Cash Flows

b. Dependent Variable: Stock price

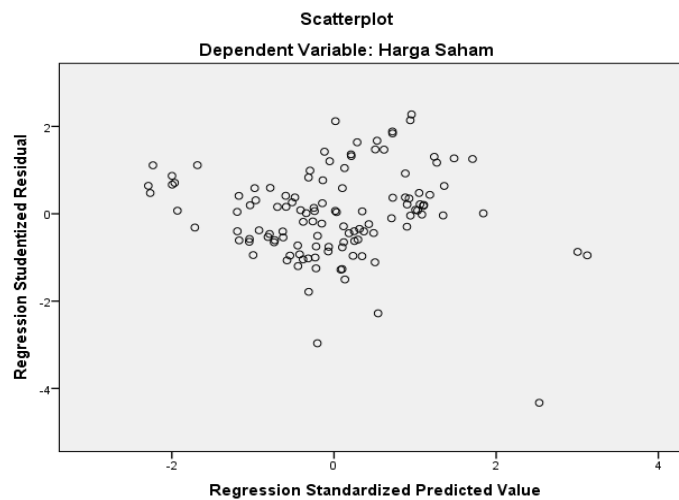
Source: Result of Research, 2017 (Data is Processed)

Based on the Table, it can be seen that the models of equations 1 and 2 do not occur autocorrelations.

4. Heteroscedasticity Test



Picture 5.5
Heteroscedasticity Test Model Equation 1



Picture 5.6
Heteroscedasticity Test Model Equation 2

Thus it can be concluded that heteroscedasticity did not occur in this Research, and the regression models equation 1 and 2 are suitable for use in the Research.

Testing the First Hypothesis with Multiple Linear Regression

Table 5.8
Determination Coefficient Test (R²) Model Equation 1
Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.139 ^a	.19	.13	.47339

a. Predictors: (Constant), Accounting Profits, Cash Flow Funding, Operating Cash Flows, Investment Cash Flows

b. Dependent Variable: Persistence of Profit

Source: Result of Research, 2017 (Data is Processed)

Table 5.9
Determination Coefficient Test (R²) Model Equation 2
Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.312 ^a	.28	.20	.59583

a. Predictors: (Constant), Persistensi Laba, Laba Akuntansi, Arus Kas Pendanaan, Arus Kas Operasi, Arus Kas Investasi

b. Dependent Variable: Harga Saham

Based on Table 5.8 and 5.9 the magnitude of the effect of Operating Cash Flows, Investment Cash Flows, Cash Flows Funding, and Accounting Profit on Persistence of Profit and share prices in Consumer Goods Companies listed on the Indonesia Stock Exchange Period (2010-2014) is 13% and 20 %.

Simultaneous Significant Test

(Test F) Table 5.10
Simultaneous Significant Test (Test F) Model Equation 1
ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	2.531	4	.533	2.502	.030 ^b
Residual	26.892	120	.224		
Total	27.423	124			

a. Dependent Variable: Persistence of Profit

b. Predictors: (Constant), Accounting Profits, Cash Flow Funding, Operating Cash Flows, Investment Cash Flows

Source: Result of Research, 2017 (Data is Processed)

Table 5.11
Uji Signifikan Simultan (Uji F) Model Persamaan 2
ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	4.568	5	.914	2.574	.003 ^b
Residual	42.247	119	.355		
Total	46.815	124			

a. Dependent Variable: Persistence of Profit

b. Predictors: (Constant), Accounting Profits, Cash Flow Funding, Operating Cash Flows, Investment Cash Flows

Source: Result of Research, 2017 (Data is Processed)

From the ANOVA test (Analysis of Variance) or F Test, it shows that the effect of Operating Cash Flow, Investment Cash Flow, Funding Cash Flow, and Accounting Profit simultaneously has a significant effect on the Persistence of Profit and Share Prices

Partial Significant Test (t test)

Table 5.12
Partial Significant Test (t test) Model Equation 1
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-.112	.043		-2.614	.010
Arus Kas Operasi	.005	.006	.084	1.990	.005

Arus Kas Investasi	.005	.004	.106	1.167	.245
Arus Kas Pendanaan	.003	.006	.052	.573	.568
Laba Akuntansi	.004	.035	.011	.119	.906

a. Dependent Variable: Persistence of Profit

Source: Result of Research, 2017 (Data is Processed)

Table 5.13
Partial Significant Test (t test) Model Equation 2
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.313	.055		5.663	.000
Arus Kas Operasi	.000	.007	-.005	1.985	.004
Arus Kas Investasi	-.004	.006	-.068	-.770	.443
Arus Kas Pendanaan	.023	.007	.282	1.209	.202
Laba Akuntansi	.064	.044	.126	2.444	.041
Persistensi Laba	.110	.115	.084	.960	.339

a. Dependent Variable: Persistence of Profit

Source: Result of Research, 2017 (Data is Processed)

Based on Table 5.12 and 5.13, partially the components of cash flows (operating cash flows, investment cash flows and funding cash flows) and accounting profit do not have a significant effect on the persistence of stock profits and / or prices.

Second Hypothesis Testing with Path Analysis (*Path Analysis*)

Table 5.14
Standardized Coefficients Equation 1 X Against Y1
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients
	B	Std. Error	Beta
1 (Constant)	-.112	.043	
Arus Kas Operasi	.005	.006	.084
Arus Kas Investasi	.005	.004	.106
Arus Kas Pendanaan	.003	.006	.052
Laba Akuntansi	.004	.035	.011

a. Dependent Variable: Persistence of Profit

Source: Result of Research, 2017 (Data is Processed)

Table 5.15
Standardized Coefficient Equation 2 X Against Y2 through Y1
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients
	B	Std. Error	Beta
1 (Constant)	.313	.055	
Arus Kas Operasi	.000	.007	-.005
Arus Kas Investasi	-.004	.006	-.068
Arus Kas Pendanaan	-.023	.007	-.282
Laba Akuntansi	.064	.044	.126
Persistensi Laba	.110	.115	.084

a. Dependent Variable: Persistence of Profit

Source: Result of Research, 2017 (Data is Processed)

Based on Table 5.14 and Table 5.15, the results of the models equation 1 and 2 can be made as follows:

$$Y_1 = 0,084 X_{1.1} + 0,106 X_{1.2} + 0,052 X_{1.3} + 0,011 X_2$$

$$Y_2 = -0,005 X_{1.1} + -0,068 X_{1.2} + -0,282 X_{1.3} + 0,126 X_2 + 0,084 Y_1$$

DISCUSSION

Effect of Operational Cash Flows on Profit Persistence and Share Prices

Based on the results of the partial significance test for the model equation 1 in Table 5.12, we can conclude that the variable Operating Cash Flow has a significant positive effect on earnings persistence. This can be seen from the significant value of $0.005 > 0.05$ and the value of $t_{count} 1.990 > t_{Table} 1.979$. This can be used as empirical evidence that information and additional operating cash flows in the financial statements can influence the estimation of company earnings persistence listed on the Indonesia Stock Exchange. The results of this study are in line with the results of Finger (1994) research which states operating cash flow has an influence in predicting future earnings.

The Influence of Investment Cash Flows on the Persistence of Profit and Share Prices

Based on the results of the partial significant test for the model equation 1 in Table 5.12, we can conclude that the variable Cash Flow Investments have a positive and not significant effect on earnings persistence. This can be seen from the significant value $0.245 > 0.05$ and the value of $t_{count} 1.167 < t_{Table} 1.979$.

Effect of Funding Cash Flows) on the Persistence of Profit and Share Prices

Based on the results of the partial significance test for the model equation 1 in Table 5.12, we can conclude that the Cash Flow Funding variable has no significant positive effect on earnings persistence. This can be seen from the significant value of $0.568 > 0.05$ and t_{count} of $0.573 < t_{Table} 1.979$.

The Influence of Accounting Profit Against Persistence of Earnings and Share Prices

Based on the results of partial significance tests for the model equation 1 in Table 5.12, we can conclude that the Accounting Profit variable has a positive and not significant effect on earnings persistence. This can be seen from the significant value $0.906 > 0.05$ and t_{count} $0.119 < t_{Table} 1.979$. Therefore it can be concluded that the size of the persistence of operating profit from year to year does not have an effect on accounting profit in the financial statements.

Effect of Operating Cash Flows (X1.1) on Stock Prices through Profit Persistence

Based on the results of the path analysis test in Table 5.16 it can be concluded that Profit Persistence is an intervening variable for Operating Cash Flows on Stock Prices. This can be seen from the direct coefficient value $<$ indirect coefficient or $-0.005 < 0.007$.

Influence of Investment Cash Flows on Stock Prices through Earnings Persistence

Based on the results of the path analysis test in Table 5.16 it can be concluded that Profit Persistence is an intervening variable for Investment Cash Flow on Stock Prices. This can be seen from the direct coefficient value $<$ indirect coefficient or $-0.068 < 0.008$.

Effect of Funding Cash Flows on Stock Prices through Profit Persistence

Based on the results of the path analysis test in Table 5.16 it can be concluded that the Persistence of Profit is an intervening variable for Funding Cash Flow on Stock Prices. This can be seen from the direct coefficient value $<$ indirect coefficient or $-0.282 < 0.0043$.

Effect of Accounting Profit on Stock Prices through Earnings Persistence

Based on the results of the path analysis test in Table 5.16 it can be concluded that the Persistence of Profit is not an intervening variable for Accounting Profit on Stock Prices. This can be seen from the direct coefficient value $>$ indirect coefficient or $0.126 > 0.099$.

CONCLUSIONS AND RECOMMENDATIONS

After analyzing based on the results of this study, the researcher can conclude, as follows :

1. Simultaneously, equation 1 shows Cash Flow Components (Operating Cash Flows, Investment Cash Flows, and Funding Cash Flows) and Accounting Profits have a significant effect on Earnings Persistence. Whereas in equation 2 Cash Flow Components (Operating Cash Flows, Investment Cash Flows, and Funding Cash Flows), Accounting Profit, and Profit Persistence have a significant effect on Price of Share. The results of this study are consistent with the results of Hutabarat's (2011) study which states simultaneously Cash Flow Components (Operational Flow, Investment Cash Flow, and Funding Cash Flows) and Accounting Profit simultaneously affect the Price of Shares.
2. Partially, equation 1 shows only Operating Cash Flows which have a positive and significant effect on Earnings Persistence. While in equation 2 only Operating Cash Flows and Accounting Profits have a positive and significant effect on Stock Prices. The results of this study are consistent with the results of Rona's research (2010) which states partially only Operating Cash Flows and Profit Accounting which have a positive and significant effect on stock prices.
3. Direct Influence of Accounting Profit on Stock Prices without mediation from Profit Persistence is the actual relationship. Profit Resistance is not an intervening variable of Accounting Profit on Stock Prices.
4. The indirect effect of Cash Flow Components (Operating Cash Flows, Investment Cash Flows, and Funding Cash Flows) on Stock Prices with the mediation of Profit Persistence is the actual relationship. Profit Persistence is an intervening variable of Cash Flow Components (Operating Cash Flows, Investment Cash Flows, and Funding Cash Flows) on Stock Prices.

RESEARCH LIMITATIONS

Penelitian ini tidak terlepas dari keterbatasan-keterbatasan yang memerlukan perbaikan dan pengembangan dalam penelitian-penelitian berikutnya. Keterbatasan-keterbatasan penelitian ini adalah:

1. Penelitian hanya menggunakan variabel yang terbatas yaitu Komponen Arus Kas (Arus Kas Operasi, Arus Kas Investasi, dan Arus Kas Pendanaan), Laba Akuntansi, Persistensi Laba, dan Harga Saham.
2. Jenis perusahaan yang menjadi sampel dalam penelitian ini hanya perusahaan barang konsumsi yang terdaftar di Bursa Efek Indonesia dengan jumlah 25 perusahaan sehingga tidak mencerminkan reaksi Bursa Efek secara keseluruhan
3. Periode penelitian yang singkat. Periode yang diamati dalam penelitian ini hanya 5 (lima) tahun yaitumulaitahun 2010sampaidengan 2014.

RECOMMENDATIONS

1. The next researcher is advised to add variables other than the variable Cash Flow Components (Operating Cash Flows, Investment Cash Flows, and Funding Cash Flows), Accounting Profit and Profit Persistence in the company's financial reporting so as to add new and better findings that might affect Stock price.
2. To the next researchers who want to do research on stock prices it is recommended that they add to the types of companies listed on the Indonesia Stock Exchange such as manufacturing companies and LQ45 companies.

3. To the next researchers who want to do research on stock prices it is recommended that they use a time span longer than 5 years to find a regression equation that provides a better picture of the problem under study.

REFERENCE

- Adiliawan, N B, 2010. "Pengaruh Komponen Arus Kas dan Laba Kotor Terhadap Harga Saham (Studi Kasus Pada Perusahaan Manufaktur di Bursa Efek Indonesia)". *Skripsi*. Universitas Diponegoro, Semarang.
- Ball, R dan P Brown. 1968. "An Empirical Evaluation of Accounting Income Numbers". *Journal of Accounting Research (Autumn)*, pp.159-177.
- Cahyati, S W. 2014. "Analisis Pengaruh Informasi Laba Akuntansi Dan Arus Kas Dari Aktivitas Operasi Terhadap Harga Saham Pada Perusahaan Perbankan Yang Terdaftar Di Bursa Efek Indonesia". *Skripsi*. Universitas Sumatera Utara. Medan.
- Dechow, P.M. 1994. "Accounting earnings and Cash Flows as Measures of Firm Performance: The Role of Accounting Accruals", *Journal of Accounting and Economics*, Vol.18, pp.3-42.
- Erlina, 2008. *Metodologi Penelitian Bisnis: Untuk Akuntansi dan Manajemen*. Edisi Kedua. Cetakan Pertama. USU Press. Medan.
- Fakhrudin, M. dan Hadioanto, 2001. *Perangkat Dan Model Analisis Investasi Dari Pasar Modal*. Cetakan Pertama. PT Elex Media Komputindo Kelompok Gramedia. Jakarta.
- Ghozali, Imam. 2013. *Aplikasi Analisis Multivariat Dengan Program SPSS*. Badan Penerbit Universitas Diponegoro. Semarang.
- Ghozali, Imam. 2005. *Aplikasi Analisis Multivariat Dengan Program SPSS*. Badan Penerbit Universitas Diponegoro. Semarang.
- Hanafi, Mamduh M dan Abdul Halim. 2007. *Analisis Laporan Keuangan*. Edisi Ketiga. UPP STIM YKPN. Yogyakarta.
- Ikatan Akuntan Indonesia. 2014. *Standar Akuntansi Keuangan* (per efektif 1 Januari 2015). Jakarta.
- Jama'an. 2008. "Pengaruh Mekanisme Corporate Governance dan Kualitas Kantor Akuntan Publik Terhadap Integritas Informasi Laporan Keuangan". *Skripsi*. Universitas Diponegoro. Padang.
- Keown, Arthur J. 2001. *Dasar-dasar Manajemen Keuangan*. Edisi ketujuh. Salemba Empat. Jakarta.
- Lipe, R C. 1990. "The Relation Between Stock Return, Accounting Earnings and Alternative Information". *The Accounting Review (January)*, pp.49-71.
- Meythi. 2006. "Pengaruh Arus Kas Operasi Terhadap Harga Saham Dengan Persistensi Laba Sebagai Variabel Intervening". *Symposium Nasional Akuntansi 9*. Padang.
- Nasir, Muhammad dan Mariana U. 2008. "Analisis Pengaruh Arus Kas Operasi Terhadap Harga Saham Dengan Persistensi Laba Sebagai Variabel Intervening", *Jurnal Maksi*, Vol.8.
- Nurfaga, R T. 2012. "Pengaruh Informasi Laba Akuntansi dan Komponen Arus Kas Terhadap Harga Saham pada Perusahaan Otomotif yang GO Publik DI Bursa Efek Indonesia (BEI)". *Skripsi*. Universitas Pembangunan Nasional Veteran. Jawa Timur.
- Parawiyati., dan Z. Baridwan. 1998. "Kemampuan Laba dan Arus Kas dalam Memprediksi Laba dan Arus Kas Perusahaan Go Publik di Indonesia". *Jurnal Riset Akuntansi Indonesia*, Vol.1, No.1 (Januari), pp.1-11.
- Rona, E C. 2010. "Pengaruh Informasi Laba Akuntansi dan Arus Kas Terhadap Harga Saham Pada Perusahaan Perbankan Yang Terdaftar di Bursa Efek Indonesia". *Skripsi*. Universitas Sumatera Utara. Medan.
- Sandiyani, Yustina dan Titik Aryati. 2001. "Rasio Keuangan Sebagai Prediktor Laba dan Arus Kas di Masa yang Akan Datang". *Media Riset Akuntansi Auditing dan Informasi*, Vol.1, No.2.
- Sanusi, Anwar. 2011. *Metodologi Penelitian Bisnis*. Penerbit Salemba Empat. Jakarta.

- Tandelilin, Eduardus. 2001. *Analisis Investasi dan Manajemen Portofolio*. Edisi Pertama. BPFE. Yogyakarta.
- Weston, J Fred dan Eugene F Bringham. 2001. *Dasar-Dasar Manajemen Keuangan*. Penerbit Erlangga. Yogyakarta.
- Widoatmodjo, Sawidji. 2009. *Pasar Modal Indonesia Pengantar dan Studi Kasus*. Cetakan Pertama. PT Ghalia Indonesia. Jakarta.