

4_RUSDIYANTO

by RUSDIYANTO RUSDIYANTO

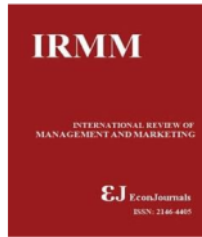
Submission date: 18-Jul-2024 01:37AM (UTC-0500)

Submission ID: 2408894973

File name: Journal_IRMM_8640_rusdiyanto_okey.docx (369.7K)

Word count: 5556

Character count: 31331



The Effects of Earnings Volatility, Net Income and Comprehensive Income on Stock Price on Banking Companies on the Indonesia Stock Exchange

Rusdiyanto^{1*}, I. Made Narsa²

¹ The Airlangga University's Doctoral Programme in Accounting Science is located at the Faculty of Economics and Business, Jl. Airlangga No. 4, Airlangga, Kec. Gubeng, Kota SBY, Jawa Timur 60286, Indonesia.* Email: rusdiyanto.se.m.ak-2017@feb.unair.ac.id.

Received: 29 July 2019

Accepted: 24 September 2019

DOI: <https://doi.org/10.32479/irmm.8640>

ABSTRACT

¹⁶ This study examines the impact of net income, comprehensive income, and earnings volatility ⁸ on the stock prices of banking businesses listed on the Indonesia Stock Exchange ¹ between 2011 and 2016. This study employs a quantitative methodology, utilizing secondary data comprising 174 commercial bank records from 2011 to 2016 that were sourced from the Indonesia Stock Exchange's websites, www.idx.co.id and www.yahoo.finance.com. Multiple linear regression analysis is the method utilized in this investigation. These findings show that net income influences the level 5% statistic of stock prices in a positive and significant way. Investors may utilize this information to gather essential data for fundamental analysis. Although there is no correlation between ¹ high earnings volatility and comprehensive income and stock prices, it is important to note that neither factor affects stock prices. Many tests of the effects of earnings volatility ¹ and net income on stock prices have been conducted in the past; the findings indicate that both factors have an impact on stock prices. Since the Statement of Financial Accounting Standards No. 1 renames ² the income statement as a statement of comprehensive income, the study's innovation is to include a comprehensive income variable.

Keywords: Comprehensive Income, Earnings Volatility, Net Income, Share Price,
JEL Classifications: D23, L2

1. INTRODUCTION

“There are frequently disagreements on the direction a company is taking ¹⁷ order to become profitable, which leads to the phenomena of stock price volatility in the capital market. The likelihood of return on investment uncertainty increases with stock price level. Nevertheless, some investors favor high-level stocks because they offer a higher chance ¹ capital gains, but they also carry a higher danger of loss. Sun et al. (2010), Sun et al. (2011), Pratama and Azzis (2018), Sari and Ridwan (2017), Stock prices are influenced by numerous factors. The study intends to look at a number of variables, including: There are influences on how stock price and corporate value are measured”.

¹ “by the amount of earnings, namely earnings volatility, net income, and comprehensive income on banks listed on the Indonesia Stock Exchange. This study's update is found in the comprehensive income variable, which hasn't been included in any prior research because of prior findings”.

¹⁰ “Despite the fact that a lot of research has been done on the factors that affect stock prices, the inconsistent findings of earlier studies in this area continue to make it an interesting subject to investigate. As a proxy for business risk, earnings volatility displays ¹¹ the highs and lows of the company's profits Rowena and Hendra, 2017”.

This Journal is licensed under a Creative Commons Attribution 4.0 International License

“choice includes crucial details about how business income is distributed and how well the business is performing. Every investor is impacted by this information, which has an impact on the stock price of the company. However, as a company's asset growth increases, investors' risk decreases as well because the company's asset holdings may guarantee the funds they contributed. Consequently, most investors decide to hold onto their shares.”

“The relationship between the stock price value and the earnings measurement model can be used to gauge the applicability of fair value accounting in financial instruments. According to studies conducted on the applicability of the profit measurement model, the company's core competencies have a bearing on stock price fluctuations (Antoniou et al., 2014). Nevertheless, stock prices are not significantly impacted by the fair value earnings report. Apart from that, earnings have a greater bearing than net income, as explained by Sari and Ridwan (2017)”

“The income statement was renamed as a statement of comprehensive income in the Statement of Financial Accounting Standards No. 1 of 2015. Other comprehensive income, which comprises revenue and spending items not shown in the income statement, is included in the comprehensive income statement. Adjustments to the revaluation surplus, gains and losses in defined benefits, gains and losses in foreign exchange transactions, gains and losses resulting from the re-assessment of financial assets that are available for sale, and the effective portion of hedging transactions are among the postal items. The comprehensive income becomes more pertinent with these posts”.

2. THEORETICAL AND HYPOTHESIS DEVELOPMENT FRAMEWORK

2.1. Efficient Market Theory

According to Fama (1970), an efficient market is one in which stock market prices accurately reflect all available information. Furthermore, fluctuations in stock prices represent how rapidly the market prices respond to fresh information. Measuring the information-efficiency of a market requires examining the correlation between accounting data and stock prices. However, what data have to be considered while evaluating an efficient market? Three primary types of efficient markets are identified by Fama, Brown et al. (1999), and others as follows: semi-strong form, efficient market, weak form, efficient market, and strong form”.

2.2. Relevance of Accounting Information Value

“Finding out whether or not there is a correlation between a value in financial statements and the price of shares on the capital market is known as value relevance research. Financial reporting need to be trustworthy and pertinent. It is significant in cases where the financial accounts' figures closely correspond to the company's worth (Barth et al., 2001; Hodder et al., 2006; Brimble and Hodgson, 2007). Value relevance research is separated into three “categories, according to”

Holthausen and Watts (2001) in "The Relevance of the Value Relevance Literature for Financial Standard Setting": (a). Studies of relative associations (comparing the relationship between alternative size bottom line and stock market value). As an illustration, consider studies that look into the connection between stock prices and earnings (b). Studies of incremental associations (looking at the usefulness of specific financial statement numbers in describing the worth or return of the stock market), (c)”.

3. OHLSON VALUATION MODEL

“The goal of the Ohlson (1995) value relevance model is to establish the connection between company value and accounting values. Ohlson's model is an accounting model that incorporates a measuring model based on the essential values of financial data. Ohlson's model offers a potent theoretical framework for assessing markets based on different sorts of data that might be important in forecasting the value of a company, as well as accounting fundamentals like book value and profit. The Ohlson model is a basic model, though. Ohlson's model makes the following assumptions: real choices are not explicitly calculated; normal profits are not calculated; real choices are not risk-neutral; accounting is unbiased; it has a clean surplus; there is no detailed role in accounting; there is no asymmetry information; and "v" evolved autoregressively. The following equation illustrates how company value is expressed in stock prices according to Ohlson's (1995) approach”:

$$NP_t = NB_t + \alpha_1 LA_{1t} + \alpha_2 LA_{2t} + \alpha_3 VL_t$$

“The aforementioned equation indicates that the fluctuations in profits (NBt), net income (LA1), comprehensive income (LA2), and other information (VLt), each multiplied by a constant (α_1 and α_2), impact the company's worth (NPt) at a given period t. Consequently, the following might be used to derive the company's value function”:

$$NP_t = f(NB_t, LA_{1t}, LA_{2t}, VL_t)$$

“The valuation model (Ohlson, 1995) is noteworthy because it was developed in a straightforward manner and was successful in removing the need to forecast dividends in order to determine the company's value. The valuation results are precisely equal to the present value of all anticipated dividends (Randy et al., 2016)”.

4. HYPOTHESIS DEVELOPMENT

“According to research by Arouri et al. (2012), the company's core characteristics have a role in explaining fluctuations in stock price, based on Ohlson's (1995) model. Nonetheless, stock prices are not significantly impacted by the fair profit value. Biddle and Choi, (2006) assert that net income has less of an impact on stock prices than earnings volatility. According to Rosyadi and Anggraita (2015), there are risks included in the financial statements that are not represented by net income and earnings volatility. The company management's expectations and projections can be verified by pertinent financial

“statements. Extra volatility shows additional risks that investors must bear with regard to the fair value of financial assets and liabilities when financial statements are provided in fair value. In order to improve investors' capacity to forecast the stock price, disclosures pertaining to the fair value of the financial statements component are represented in the financial statements as a whole. Additionally, in order to meet predictive value and confirmatory value requirements, the valuation of corporate profits based on market pricing becomes relevant in tandem with fluctuations in economic and market conditions (Rosyadi and Anggraita, 2015)”.

“The company's stock market price reflects the value that investors place on the business based on their observations of it. As per the firm's idea, the primary aim of the organization is to optimize its overall prosperity or value (Narsa and Pratiwi, 2014). Increasing shareholder prosperity is one of the company's primary means of achieving its objectives and this is reflected in corporate value. Information regarding investment opportunities through the company's stock price would send a good indication about the company's growth in the future, according to Fama (1970) (Narsa and Pratiwi, 2014). The greater the stock price, the higher the level of value of the company as well as the stock price, according to Nurlela and Islahuddin (2008) and Narsa and Pratiwi (2014). When a firm has a high value, the market is more likely to believe in its future potential as well as its current performance. Professionals are positioned as supervisors or viewed as commissioners in this instance. The company's value indicates how well its management operates. The market's response to a company's total state, which includes the wealth of its shareholders and firms, the outcomes of its investment decisions, managerial funding and assets realized in the form of company stock prices, is reflected in the stock price of the company (Narsa and Pratiwi, 2014). (Azura et al., 2018), (Romli et al., 2017), (Anastassia and Firmanti, 2014), (Sari and Ridwan, 2017). Because vigorous trading occurs when a stock price is high, the dealer will not hold onto the stock for an extended period of time”.

The quick swings in the company's earnings from its profits are known as earnings volatility. According to Rowena and Hendra (2017), dividend policy, which affects stock prices, provides a proxy for business risk in the form of profits volatility since it contains significant information about how corporate income is distributed and the success of the organization. Every investor is impacted by this knowledge, which has an impact on market stock prices. It is required of managers to be able to manage the volatility of the company's earnings through the stock price. Due to the tendency of investors to hold onto their shares, there are few sales of shares, which drives down the price of the stock. Profit is unpredictable, and becomes much more so during periods of extreme volatility (Rowena and Hendra, 2017; Antoniou et al., 2014). Because the company is unstable, the rise and fall in revenues may make it difficult for companies to secure outside funding. Investors will receive larger capital gains when profits reach their maximum level the more volatile the earnings are. In order for investors often hold onto their stock for the near term. Consequently, there are typically less sales, which results in low stock prices. A comparison of operating profit and total firm assets

“is used to determine earnings volatility. According to the calculations made for the study (Shahid et al., 2015), this is the case (Rowena and Hendra, 2017). In light of the justification, the study's hypothesis is”:

H₁: Earnings volatility has a positive effect on stock prices.

“The relevance of the value of accounting information is defined by Beaver (1968) as the capacity of accounting data to explain a company's value. Net income is one of the important accounting measures in the financial income statement that shows how the company performed over a specific time period. The market value of the company is reflected in the stock price. Net income is a risk indicator that will be relevant to risk if the capital market stock price accurately represents the risk. This is consistent with what (Arouri et al., 2012) found. Biddle and Choi (2006) suggest that stock prices are more influenced by net income as opposed to earnings volatility. Previous study inquiries have not addressed the direction of the link between business profitability and stock prices. The relationship between a company's profitability and stock prices might go either way, depending on the preferences of individual investors. The bigger the company's accounting risk, the higher the price, as risk-averse investors want for a high return for the risk they take. Given the rationale, the study's premise is”:

H₂: Net income has a positive effect on stock prices.

“A financial income statement called "Comprehensive Income" summarises the company's performance over the course of one financial reporting period. The income statement is now referred to as a statement of comprehensive income, according to the statement of Financial Accounting Standards No. 1 of 2015. Other comprehensive income, which comprises revenue and spending items not shown in the income statement, is included in the comprehensive income statement. Adjustments to the revaluation surplus, gains and losses in defined benefits, gains and losses in foreign exchange transactions, gains and losses resulting from the re-assessment of financial assets that are available for sale, and the effective portion of hedging transactions are among the postal items. If fluctuations in stock prices (stock price return) are indicative of this company's performance, then information about its performance has value. The risks associated with the scale of the company's performance are described by comprehensive income. When comprehensive income can be used to explain market stock returns, it will become relevant in terms of risk”:

H₃: comprehensive income has a positive effect on stock prices.

5. RESEARCH METHODS

5.1. Type of Research

“The methodology used for this study was quantitative research, which is a process of knowledge discovery that employs numerical data as a generalizable instrument to support the hypothesis”.

5 “The data used in this study is secondary data, which comes from sources such as documents 2 other persons who don't directly give data to data collectors (Sugiyono, 2008)”

5.2. Population and Research Sample

“Samples for this study will be chosen using the purposive judgment sampling approach, which is a nonprobabilistic sampling technique. Sampling within a population with the intention of obtaining 2 pertinent data is known as purposeful sampling (Table 1). The financial statements of banking institutions are available on the websites of the Indonesia Stock Exchange (www.idx.co.id) and Yahoo Finance (www.yahoofinance.com)”

5.3. Variable Operational Definition 22

“This study creates a regression model to assess the relevance and utility of the accounting 1 information provided by the company using four different types of variables and five control variables. Among the variables this study used are”:

5.3.1. Dependent variable

1 “The worth of the company, as represented by the stock market price (NPT) on April 1, is the dependent variable in this study. The price or value of a stock that is present in the capital market at a given moment and is established”

5.3.2. Independent variable

“The degree of profit volatility attained 1 by the company is measured by its earnings. According to Rowena and Hendra (2017) and Antoniou et al. (2014), it is challenging to forecast earnings, and the task becomes considerably more challenging during periods of high volatility. It may be challenging for businesses to raise capital from investors as a result of fluctuations in corporate income. Investors receive larger capital gains when profits reach their peak proportionately to the company's degree of earnings volatility. This is consistent with the study's computations (Iqbal et al., 2015)”.

Operating Profit

$$\text{Earnings volatility} = \frac{\text{Operating Profit}}{\text{Total Asset}}$$

2. 2. One of the key accounting metrics in the income “statement financial statements that characterises the success of the business for a certain accounting period is net income”.

Table 1: Summary of criteria for sample selection

Information	Total
Banks listed on the Indonesia Stock Exchange for the period 2011-2016	29
Samples are listed on the Indonesia Stock Exchange and a 2011-2016 report is available	29*6 = 174
An incomplete sample of stock data	(0)
The sample whose closing share price is zero	(0)
The company's sample suffered losses	(42)
Final research sample	132

1 “While the 1 value of earnings has risk relevance if it is represented in the market price 4 of the company's stock, net income is a measure of risk. This is in line with studies conducted by Arouri et al. (2012). Compared to net income, profit is more correlated with stock prices. Depending on the inclinations 1 of each investor—risk-taker or risk-averse—the link between net income and stock prices may have a positive or negative tendency. Because 1 the risk-averse investors seek large returns, the bigger the company's accounting risk, the higher the stock price. A metric of risk that, if it is represented in the stock price, will have value relevance is net income”.

12 3. The income statement is 4 now referred to as a statement of comprehensive income according to Statement of Financial Accounting Standards No. 1 of 2015. Other comprehensive income, 6 which consists of revenue and spending items not shown in the income statement, is included in 1 the comprehensive income statement. Adjustments to the revaluation surplus, gains and losses in defined benefits, gains and losses in foreign exchange transactions, gains and losses resulting from the re-assessment of financial assets that are available for sale, and the effective portion of hedging transactions are among the postal items. The comprehensive income becomes more pertinent with these posts. The capacity of investors to forecast rises in stock prices is known as comprehensive income. Furthermore, in order to achieve predictive and confirmatory values, procyclical valuation—the valuation of corporate profits based on market prices—becomes relevant in tandem with the ups and downs of economic and market situations. When comprehensive income is able to explain the level of share 4, it has value relevance and describes the dangers to the size of a company's performance. The stock price is higher when the relevance value is higher”.

5.3.3. Control variables

1. “A company's ability to make money for its shareholders is gauged by its return on equity (ROE) ratio. ROE is seen as a measure of corporate worth or shareholder wealth; a ROE 20 more than 12% is deemed to be desirable. Formula ROE, which is calculated by dividing net income after taxes by total equity, can be explained as follows”:

$$\text{ROE} = \frac{\text{Net Income}}{\text{Total Equity}}$$

1 2. “The ratio used to assess 7 management's capacity to generate profits overall is called return on assets, or ROA. A higher return on assets (ROA) indicates higher profit margins and improved asset utilisation for the company; a ROA of more than 2% is considered good. ROA is calculated by dividing total assets by net income after taxes. The following could be used to describe the ROA formula”:

$$\text{ROA} = \frac{\text{Net Income}}{\text{Total Asset}}$$

3. “Net Profit Margin (NPM) is a comparison between net income and sales. The greater the NPM, the more productive the

"The business will function in a way that inspires trust in investors to make investments in it. The percentage of net income received from each sale is displayed by this ratio. The higher this ratio, the more favourable it is thought that the company will be able to generate large profits. The connection between net income after taxes and net sales demonstrates management's capacity to properly steer the business and leave certain margin as fair reward for owners who have invested capital at risk. Net sales per rupee of sales are shown in the computation's results. Investors in the capital market must be aware of the company's profitability. Investors could determine whether or not the company is profitable by knowing this. According to Sulistyanto (years not provided: 7), an NPM of more than 5% is considered good. The net profit margin (NPM) of a bank indicates its capacity to produce net income from its main business operations. The following could be used to explain the NPM formula":

$$NPM = \frac{\text{Net Income}}{\text{Operating Income}}$$

4. "Ratio of Debt to Equity (DER) This ratio is used to calculate how much money the creditor has given the business owner. This ratio is also used to determine how much of each rupiah of the company's capital is pledged as debt collateral. Based on the explanation provided, it can be inferred that DER is a ratio that assesses a company's capacity to pay off both short- and long-term debt. The debt-to-equity ratio, or DER, is a measurement of the volume of loans provided by corporate finance. It is derived from the ratio of total liabilities to total equity. The following could be used to explain the DER formula":

$$DER = \frac{\text{Total Liabilitas}}{\text{Total Equity}}$$

5.4. Types and Data Sources

"The secondary data and variable data used in this study to measure earnings volatility, net income, and comprehensive income were provided by the company's financial sector financial statements, websites www.idx.co.id and www.yahoofinance.com".

5.1. Analysis Model

"Multiple regression analysis, which is an analysis to express a linear relationship between two or more variables, is the analytical model utilised in this study to assess the effect of independent factors on the dependent variable (Table 2). The study's empirical model is as follows":

$$NP_t = \alpha + \beta_1 NB_t + \beta_2 LA_1 + \beta_3 LA_2 + \beta_4 ROE + \beta_5 ROA + \beta_6 NPM + \beta_7 DER + c \quad (1)$$

5.6. Analysis Techniques

"The following work has to be done in order to address the study's problems: utilising the operational definition of variables to calculate the bank's financial statement ratio. Execute regression based on the analysis model, evaluate the importance of every coefficient, and carry out analysis".

Table 2: Description of variables

Information	Description
NP_t	= Stock price
α	= Constants
$\beta_1, \beta_2, \beta_3$	= Variable regression coefficient $NB_t, LA_1, LA_2, ROE, ROA, NPM$ and DER
NB_t	= Earning volatility
LA_1	= Net income
LA_2	= Comprehensive income
ROE	= Return on equity (ROE)
ROA	= Return on asset (ROA)
NPM	= Net profit margin (NPM)
DER	= Debt to equity ratio (DER)
c	= Standard error

6. ANALYSIS AND DISCUSSION

6.1. Description of Research Results

"To provide a summary of the variable variables under study, it is vital to use descriptive analysis to characterise the features of the research data before testing the hypothesis. Data consistency A test is also run to find out how the research data is distributed. Based on the sample selection results, 132 data points from 29 Indonesia Stock Exchange banking sector companies satisfied the predetermined criteria. The sample's descriptive statistical data are listed below".

"According to Table 3, net income and comprehensive income are more valuable than the volatility of earnings. Because earnings volatility includes a higher proportion of fair value components of financial assets and liabilities than net income and comprehensive income, it is significantly less volatile than net income and comprehensive income. The increasing value of net income and comprehensive income over time indicates that these metrics provide information about the fair value challenges that businesses confront in relation to their financial assets and obligations. Stated differently, the volatility of the mark-to-market income ratio is significantly higher than that of the net income".

6.2. Regression Analysis

"Since all study variables are deemed stationary at degree 0, the regression equation may use them straight. The research variables' regression results are shown below (Table 4)".

7. DISCUSSION

"Theory states that profit affects the ability of the purchasing power of the populace, such that it also influences the stock price and the company's worth. Variations in high earnings will lead to a further decline in purchasing power, a decline in stock prices, and future decline in dividends. overall stock price in the capital market.

"Stock prices are not positively or significantly impacted by volatility in earnings. The study's findings imply that stock prices unaffected by earnings volatility. The coefficient demonstrated that there is no positive correlation between stock price and earnings volatility".

Table 3: Descriptive statistics

Variable	n	Min	Max	Mean±Std. dev
Stock price	132	71.00	993.00	334.9545±248.47974
Earning volatility	132	0.00	0.08	0.0218±0.01515
Net income	132	22178.00	78759737169	2636083873±12186294
Comprehensive income	132	14237.00	6.45E+11	7084549526±57016923536
ROE	132	0.01	0.30	0.1162±0.06238
ROA	132	0.00	0.03	0.0144±0.00849
NPM	132	0.10	1.18	0.7435±0.17273
DER	132	0.06	98.59	7.8070±8.36729
Valid n (listwise)			132	

ROE: Return on equity, ROA: Return on asset, NPM: Net profit margin, DER: Debt to equity ratio

“in order for investors to evaluate the company's stock price using information on earnings volatility. Investors often anticipate volatile earnings. It is possible to infer from the test's results that investors will be more drawn to companies with high earnings per share than to those with low earnings per share. The company's stock price rises due to the huge demand from investors for profitable stocks. On the other hand, low earnings per share typically result in a decline in stock price. The present investigation's findings are incongruent with the findings of other studies (Rowena and Henda, 2017a; Surahmat et al., 2017), which explicate the substantial impact of earnings volatility on stock prices”.

“Stock prices are positively and significantly impacted by net income. This finding indicates that there is a relationship between the equity book value and net income value. Investors may utilise the stock price for fundamental analysis as it contains information that is pertinent to the price of the stock. These findings support the notion that businesses with significant equity values may be able to draw in investors who are looking to purchase stock. The test's positive coefficients demonstrate that investors are more drawn to businesses with larger net income values and serve as a foundation for decision-making when it comes to investments. The findings of his research (Arouri et al., 2012)”.

“Stock prices are not significantly and positively impacted by comprehensive income. According to this finding, comprehensive income has no bearing on stock prices. The coefficient indicated that there is no positive correlation between stock prices and comprehensive income. Investors could evaluate the company's stock price by using detailed income statistics. Investors generally expect to make a large profit. It is possible to infer from the test's results that investors will be more drawn to companies with high earnings per share than to those with low earnings per share. The amount of demand from investors for highly profitable equities will drive up the price of the company's shares. On the other hand, low earnings per share usually result in a decline in the stock price”.

“The testing of the control variables' results explain why ROA does not significantly and favourably affect stock prices. (Ilmiyono, 2017) The finding of his research and the outcomes of this investigation diverge. NPM does not have a positive and significant impact on stock prices, according to Sari and Ridwan (2017). DER also does not have a positive and significant impact on stock prices, according to Ilmiyono, 2017; Kumari and”

Table 4: Regression analysis

Variable	Coefficient	t	Sig. t
Constant	89.619	2.076	0.040
Earnings volatility	1597.046	-0.330	0.742
Net income	0.000	-2.876	0.005
Comprehensive income	0.000	-0.292	0.771
ROE	297.226	0.581	0.563
ROA	2628.671	-1.396	0.165
NPM	108.753	1.050	0.296
DER	1.375	-1.343	0.182
R	=0.180		
R square	=0.032		
F	=3.507		
Sig. F	=0.002		

Bound Variables: Share price (NB), ROE: Return on equity, ROA: Return on asset, NPM: Net profit margin, DER: Debt to equity ratio

(Asandimitra, 2017) The findings of this investigation conflict with those of his research (Ardiansyah and Isbanah, 2017).

8. CONCLUSIONS

“The test's findings demonstrated that whereas comprehensive income and profits volatility had little bearing on stock prices, net income does. In terms of conclusions, it is anticipated that the findings of this research will inform current and prospective investors to exercise greater caution when examining various facets of net income when making stock price investments. Banking firms are anticipated to take into account the findings of this study when making business choices, particularly those pertaining to the impact of comprehensive income, net income, and earnings volatility on stock prices. Business decisions mostly centre on how much stock returns banking sector companies will offer and how they will sustain corporate profit levels to pique investors' interest in the company”.

“More corporate samples, not just those from the banking industry, should be used in future studies. Additionally, a longer time frame should be used in future studies to see how stock prices relate to net income, comprehensive income, and earnings volatility. So that the importance of calculating profits volatility, net income, and comprehensive income and using a longer period is not only for 6 years, subsequent study should also employ audited annual financial statement data. Even better, additional study, like that done by Black (1998), looks into the applicability of the fair value profits measurement methodology at every point in the firm cycle”.

REFERENCES

- Anastassia, A., Firnanti, F. (2014), Factors that affect stock price volatility in non-financial public companies. *Journal of Business and Accounting*, 16(2), 95-102.
- Anisma, Y. (2012), Factors affecting the stock prices of banking companies listed on the Indonesia stock exchange (IDX). *Journal of Social Economic Development*, 2(5), 144-165.
- Antoniou, A., Guney, Y., Paudyal, K., Zulficar, S. (2014), The determinants of capital structure : Capital market-oriented versus bank-oriented institutions. *Journal of Financial and Quantitative Analysis*, 43(1), 59-92.
- Arouri, M.E.H., Ben Youssef, A., M'henni, H., Rault, C. (2012), Energy consumption, economic growth and CO₂ emissions in middle East and North african countries. *Energy Policy*, 45, 342-349.
- Azura, S.N., Sofia, M., Nurhasanah. (2018), Factors that Affect Stock Price Volatility in Manufacturing Companies Listed on the Indonesia Stock Exchange in 2012-2016. *Accounting*, 8th Widyatama International Seminar on Sustainability (WISS), At The Trans Luxury Hotel.
- Barth, M.E., Beaver, W.H., Landsman, W.R. (2001), The relevance of the value relevance literature for financial accounting standard setting : Another view. *Journal of Accounting and Economics*, 31, 77-104.
- Beaver, W.H. (1968), The information content of annual announcements earnings. *Journal of Accounting Research*, 6(1968), 67-92.
- Biddle, G.C., Choi, J.H. (2006), Is comprehensive income useful? *Journal of Contemporary Accounting and Economics*, 2(1), 1-32.
- Brimble, M., Hodgson, A. (2007), Assessing the risk relevance of accounting variables in diverse economic conditions. *Managerial Finance*, 33, 553-573.
- Brown, S., Lo, K., Lys, T. (1999), Use of R² in accounting research : Measuring changes in value relevance over the last four decades. *Journal of Accounting and Economics*, 28, 83-115.
- Enahoro, J.A., Jayeoba, J. (2013), Value measurement and disclosure in fair value accounting. *Asian Economic And Financial Review*, 3(9), 1170-1179.
- Fama, E.F. (1970), Efficient capital markets: A review of theory and empirical work. *The Journal of Finance*, 25(2), 383-417.
- Fiechter, P., Novotny-Farkas, Z. (2017), The impact of the institutional environment on the value relevance of fair values. *Review of Accounting Studies*, 22, 394-429.
- Francis, J., Schipper, K. (1999), Have financial statements lost their relevance? *Journal of Accounting Research*, 37(2), 319.
- Handy, C.M. (2013), Earnings Volatility: Concepts, Measurement, and Accounting for Its Increase in the United States, 1971-2009. Dissertation or Thesis.
- Hodder, L.D., Hopkins, P.E., Wahlen, J.M., Zimmerman, J.L. (2006), Risk-relevance of fair-value income measures for commercial banks. *The Accounting Review*, 81(2), 337-375.
- Holthausen, R.W., Watts, R.L. (2001), The relevance of the value-relevance literature for financial accounting standard setting. *Journal of Accounting and Economics*, 31(1-3), 3-75.
- Iatridis, G.E. (2015), Corporate philanthropy in the US stock market: Evidence on corporate governance, value relevance and earnings manipulation. *International Review of Financial Analysis*, 39, 113-126.
- Ilmiyono, A.F. (2017), Influence of financial performance and macroeconomic factors in predicting volatility in stock prices of food and beverages industry subsector companies. *Jiafe*, 3(1), 35-48.
- Iqbal, S., Chaudry, S.N., Iqbal, N. (2015), Impact of firm specific factors on credit risk : A case of Karachi stock exchange. *International Letters of Social and Humanistic Sciences* 54, 140-143.
- Kumaidi, R.K., Asandimitra, N. (2017), The effect of ROA, ROE, DER, DPR, and LDR on stock prices of the IDX banking sector 2011-2016 (with the classification of small capitalization and large capitalization). *Journal of Management Science*, 5(3), 1-13.
- Muflihah, S.I.N. (2017), Analysis of current ratio (CR), Return on assets (ROA), and debt to equity ratio (DER) on share prices (case study on real estate and property companies listed on the Indonesia stock exchange in 2014-2016). *Journal of Accounting*, 1, 1-13.
- Narsa, I.M., Pratiwi, F.F. (2014), Internet financial reporting, website information disclosure, internet reporting scope, and corporate value. *Equity Journal of Economics and Finance*, 18(2), 259-273.
- Nurlela, R., Islahuddin. (2008), The influence of corporate social responsibility against company value with the percentage of management ownership as a moderating variable. *Accounting*, 1, 1-25.
- Ohlson, J. (1995), Earnings, book-values, and dividends in equity valuation. *Contemporary Accounting Research*, 11(2), 661-687.
- Pratama, Y.C., Azzis, A. (2018), Macroeconomic variables, international islamic indices, and the return volatility in Jakarta islamic index. *Al-Iqtishad*, 10(95), 171-188.
- Priana, I.W.K., Rm, K.M. (2017), Effects of stock trading volume, leverage, and dividend payout ratio on stock price volatility. *E-Journal of Accounting*, Udayana University, 20(1), 1-29.
- Rinati, I. (2008), The effect of net profit margin (NPM), return on assets (ROA) and return on equity (ROE) on the stock prices of companies listed in the LQ45 index. *Accounting Descriptions*, 1, 1-12.
- Romli, H., Wulandari, M.F., Pratiwi, T.S. (2017), Factors that affect stock price volatility at pt waskita karya tbk. *Scientific Economics of the Global Future*, 8(1), 1-5.
- Rosyadi, M.A., Anggraita, V. (2015), Relevance of risk measurement for net profit, comprehensive profit and fair value profit: Study of banks listed on the Indonesia stock exchange. *National Symposium on Accounting*, 18, 2-22.
- Rowena, J., Hendra. (2017), Earnings volatility, dividend policy, and asset growth influence stock price volatility in manufacturing companies on the Indonesia stock exchange period 2013-2015. *Journal of Office Administration*, 5(2), 231-242.
- Sari, T.Y., Ridwan, A. (2017), Effect of Fundamental Factors of the Company on Stock Prices: Good
- Sastrawati, W., Saarse, E.H. (2016), Analysis of the effect of corporate governance on earnings management practices. *Business Accounting Review*, 5(1), 253-265.
- Saucedo, G.D. (2014), The Effects of Human Capital and Voluntary Human Capital Disclosures on Investors' Decision-Making and Assessments of Firm Value. Dissertation.
- Shahid, S., Chaudhry, M.N., Mahmood, N., Hussain, K., Sheikh, S., Ahmed, N. (2015), Hematological profiling and assessment of suspected environmental factors of brain tumor patients: A prospective study of a tertiary care hospital in Pakistan. *Journal Of Neurological Sciences*, 32(1), 89-105.
- Sidantha, I.N.B., Nu, A., Mulyadi, J. (2016), Other comprehensive income presentation: Investment in the infrastructure and utilities industry. *Jiafe*, 2(2), 59-71.
- Sun, P., Liu, X., Cao, Y. (2011), Research on the income volatility of listed banks in China: Based on the fair value measurement. *International Business Research*, 4(3), 14-19.
- Sun, S. (2010), Perspective on fair value measurement. *Asian Social Science*, 6(3), 113-118.
- Sugiyono, S. (2008), *Business Research Methods*. Bandung: CV Alpha, Beta.
- Surahmat, Swandari, F., Dewi, D.M. (2017), The effect of dividend policy and other factors on the volatility of mining company stock prices. *Journal Management Insights*, 5(2), 201-216.
- Weicher, J.C. (1999), Some income-measurement issues and their policy implications. *American Economic Review*, American Economic Association, 89(2), 29-33.

4_RUSDIYANTO

ORIGINALITY REPORT

18%

SIMILARITY INDEX

12%

INTERNET SOURCES

11%

PUBLICATIONS

5%

STUDENT PAPERS

PRIMARY SOURCES

1

doaj.org

Internet Source

5%

2

www.econjournals.com

Internet Source

4%

3

Submitted to Defense University

Student Paper

1%

4

repository.unimal.ac.id

Internet Source

1%

5

conference.asia.ac.id

Internet Source

1%

6

mro.massey.ac.nz

Internet Source

<1%

7

www.ijsr.net

Internet Source

<1%

8

ingreat.id

Internet Source

<1%

9

ijdri.com

Internet Source

<1%

10	www.ajhssr.com Internet Source	<1 %
11	econjournals.com Internet Source	<1 %
12	Frank Thinggaard, Alfred Wagenhofer, Lisa Evans, Günther Gebhardt et al. "Performance Reporting – The IASB's Proposed Formats of Financial Statements in the Exposure Draft of IAS 1", Accounting in Europe, 2006 Publication	<1 %
13	media.neliti.com Internet Source	<1 %
14	istanbuljuly2014.iibaconference.org Internet Source	<1 %
15	openjournal.unpam.ac.id Internet Source	<1 %
16	Juo-Lien Wang, Hsing-Hwa Hsiung, Jia-Ru Xu. "Is the Value-Relevance of IFRS Better than GAAP?", Proceedings of the 2019 5th International Conference on Industrial and Business Engineering, 2019 Publication	<1 %
17	Ramon Arthur Ferry Tumiwa, Agnes Ramey Rooroh, Stevie Alan lasut. "Determinants of The Indonesia Composite Index Movement in	<1 %

The Covid-19 Pandemic Era", SHS Web of Conferences, 2022

Publication

18

icams2018.stiekesatuan.ac.id

Internet Source

<1 %

19

ideas.repec.org

Internet Source

<1 %

20

journal.wima.ac.id

Internet Source

<1 %

21

libsysdigi.library.illinois.edu

Internet Source

<1 %

22

students.olin.wustl.edu

Internet Source

<1 %

23

Arjan Brouwer, Arshia Faramarzi, Martin Hoogendoorn. "Does the New Conceptual Framework Provide Adequate Concepts for Reporting Relevant Information about Performance?", Accounting in Europe, 2014

Publication

<1 %

24

WILD. "EBOOK Vitalsource: Fundamental Accounting Principles", EBOOK Vitalsource: Fundamental Accounting Principles, 2017

Publication

<1 %

25

hdl.handle.net

Internet Source

<1 %

journal2.uad.ac.id

26

Internet Source

<1 %

27

unsworks.unsw.edu.au

Internet Source

<1 %

28

Journal of Financial Regulation and
Compliance, Volume 21, Issue 2 (2013-05-27)

Publication

<1 %

Exclude quotes Off

Exclude matches Off

Exclude bibliography On