



SIMPOSIUM ILMIAH AKUNTANSI 5

PEFFECT OF DEBT LEVELS, BOOK TAX DIFFERENCE, SALES VOLATILITY AND OPERATING CASH FLOWS ON PROFIT PERSISTENCE

Farah Fauziah¹, Dirvi Surya Abbas²

Department of Accounting, Universitas Muhammadiyah Tangerang, Indonesia

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ABSTRACT

The purpose of this study was to determine the effect of Debt Level, Book Tax Difference, and Sales Volatility on Manufacturing companies in the Food and Beverage sub-sector listed on the Indonesia Stock Exchange (IDX). The research time period used is 5 years, namely the 2016-2020 period. The population of this study includes Manufacturing companies in the Food and Beverage sub-sector listed on the Indonesia Stock Exchange (IDX) for the 2016-2020 period. The sampling technique used was purposive sampling technique. Based on the predetermined criteria obtained 10 companies. The type of data used is secondary data obtained from the Indonesia Stock Exchange website. The analytical method used is panel data regression analysis supported by the Eviews 9.0 program. The results of the study indicate that the level of debt has an effect on Earning Persistence, while Book Tax Difference and Sales Volatility indicate that together they have no effect on Earning Persistence and firm size.

Corresponding Author:

Dirvi Surya Abbas

Department of Accounting, Universitas Muhammadiyah Tangerang, Indonesia

Jl. Pioneers of Independence I No.33, Cikokol, Kec. Tangerang, Tangerang City, Banten, Indonesia

Email : abbas.dirvi@gmail.com

Financial reports are a source of information about an entity that reflects the financial condition of the company's operating results in a certain period to interested parties. Financial reports consist of a balance sheet, profit and loss statement, statement of changes in equity, and cash flow statement.

In recent years, the business world has been facing a major financial crisis. This resulted in many large companies closing down or going bankrupt. This situation ultimately forces companies that are still surviving to be able to maintain their survival by being able to compete with other companies. To be able to carry out its activities and be able to compete with other companies, the growth of funds or capital will be good if the company gets the trust of creditors and investors.

The first phenomenon is the slowdown in the domestic economy has weakened consumer purchasing power. This negative sentiment also had an impact on the performance of PT Tri Banyan Tirta Tbk (ALTO). This condition was worsened by intense competition in the bottled drinking water industry which resulted in a decline in ALTO's finances. In 2016 PT. Tri Banyan Tirta Tbk., has a profit persistence value of 0%. In 2017 PT. Tri Banyan Tirta Tbk. decreased by 4%. In 2018 PT. Tri Banyan Tirta Tbk. decreased again at 1%. Then in 2019 PT. Tri Banyan Tirta Tbk. experienced an increase of 1%, but in 2020 PT. Tri Banyan Tirta Tbk. decreased to 0%.

RESEARCH METHODS

The approach in this research is to use quantitative research, because the meaning of each variable and between variables is based on a quantitative measurement scale. Quantitative research methods are research methods based on the philosophy of positivism used to research certain populations and samples, data collection uses research instruments, data analysis is quantitative/statistical, with the aim of testing predetermined hypotheses (Sugiyono, 2018).

This research was carried out on Manufacturing Companies, and the object was the Annual Financial Report (annual report) which was published in statistics from January 2018 to December 2022. The Indonesian Stock Exchange was chosen as the research location because

the data required by the author could be easily accessed via The official website of the Indonesian Stock Exchange, namely www.idx.co.id.

A research variable is an attribute or trait or value of a person, object or activity that has certain variations determined by the researcher to be studied and then conclusions drawn (Sugiyono, 2018). The variables used in this research are:

- Dependent Variable**
- Independent Variable**
- Moderating Variable**

Calculation Table

| Variable Name | Measurement |
|------------------------|---|
| PERSISTENCE OF PROFITS | PTBI=profit before tax t + profit before tax $t-1$ / total assets |
| DEBT LEVEL | DER=total debt/total assets |
| BOOK TAX DIFFERENCE | PD = Total Permanent Difference / total assets |
| SALES VOLATILITY | Sales Volatility = Sales / Total Assets |
| COMPANY SIZE | company size=Ln(total assets) |

Data Analysis Method

$$PTBI = \alpha + \beta_1 DAR_{1it} + \beta_2 BTD_{2it} + \beta_3 VP_{3it} + UP + \varepsilon_{it}$$

RESEARCH RESULTS AND DISCUSSION

Based on the sample selection criteria, this research uses samples from companies in the food and beverage sub-sector manufacturing sector listed on the Indonesia Stock Exchange (BEI) for the 2016 – 2020 period. The following are the sample selection stages that have been carried out:

| CrSample iteria |
|---|
| Pefood and sub-sector manufacturing sector companies drinks listed on the IDX for the 2016-2020 period |
| Pefood and sub-sector manufacturing sector companies drinks that experienced losses during the 2016 period – 2020 |
| LaSub-sector manufacturing sector company financial report food and drinks that cannot be accessed at IDX during the 2016 – 2020 period |
| Total sample of sub-sector manufacturing sector companies food and beverages that contain the data needed for research in 2016 – 2020 |
| Jnumber of observations for 5 years of observation (10 x 5) |

- The Effect of Debt Levels on Profit Persistence
Research results (Amaliyah & Suwarti, 2017) state that debt levels have a positive effect on profit persistence. This shows the positive relationship shown by the level of debt on profit persistence, meaning that the higher the level of debt in a company, the higher the profit persistence will be.
- The Effect of Book Tax Difference on Profit Persistence

The results of research (Dewi & Putri, 2015) state that the book tax difference has a positive effect on profit persistence.

3. The Effect of Sales Volatility on Profit Persistence

The results of research (Kasiono & Fachrurrozie, 2016) state that Sales Volatility has a positive effect on Profit Persistence.

4. Company Size

H4: Company Size Can Strengthen Debt Levels and Moderate Profit Persistence

H5: Company size weakens the negative influence of permanent differences on profit persistence

H6: Company size strengthens the positive influence of sales volatility on profit persistence

CONCLUSION

Based on the results of research explaining from The Independent Variables in this research consisting of Debt Level, Book Tax Difference and Sales Volatility together have an influence on Profit Persistence. This is proven by the Prob (F-statistic) results of 0.000000 < significance level 0.05. The Debt Level variable has a negative influence on Profit Persistence. This is proven by the t-statistic value of Debt Level of 1.809369 < t-table 2.01063 and the value of Prob. amounting to 0.0769 > 0.05 with a regression coefficient value of 0.056501. The Book Tax Difference variable has a positive influence on Profit Persistence. This is proven by the t-statistic value of Book Tax Difference of 13.36555 > t-table 2.01063 and the value of Prob. Amounting to 0.0000 < 0.05 with a regression coefficient value of 0.264599. The Sales Volatility variable has a negative influence on Profit Persistence.

This is proven by the Sales Volatility t-statistic value of 0.849794 < t-table 2.01063 and the Prob value. Amounting to 0.3998 > 0.05 with a regression coefficient value of 0.006892. Company size can strengthen debt levels and moderate earnings persistence. Company size weakens the negative effect of permanent differences on earnings persistence. Company size strengthens the positive influence of sales volatility on profit persistence.

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