

ABSTRACT

The Effect of Liquidity, Fixed Assets Intensity, Market to Book Ratio, and Firm Size to Decision of Fixed Assets Revaluation on Companies.

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The purpose of this research is to find out the effect of liquidity, fixed assets intensity, market to book ratio, and firm size to decision of fixed assets revaluation on companies. Based on PSAK 16, Indonesian company can choose cost method or revaluation method on their fixed asset. Government policy that allows revaluation of fixed assets provided in Regulation of Minister of Finance Number: 191/PMK.10/2015 concerning the Company's Revaluation of Fixed Assets for Tax Purpose.

The sample of this study is manufacturing companies that are registered in Indonesia Stock Exchange in 2013 until 2015 by using purposive sampling method. The samples of this research are 74 companies in one year, so total of the samples are 222. The hypothesis was tested by logistic regression.

The results partially proved significantly affecting the decision of fixed assets revaluation is market to book ratio and firm size. Simultaneously, the research uses four variables proved significant fit. While that is not significant liquidity, fixed assets intensity.

The findings of this study is the market to book ratio affect significant negative to decision of fixed assets revaluation. Manufacturing companies with lower market to book ratio allow managers to use accounting procedure that can increase their compensation (bonus plan hypothesis). Revaluation of fixed assets resulted in the increase of the financial performance of the company.

Keywords: Fixed Assets Revaluation, of Liquidity, Fixed Assets Intensity, Market to Book Ratio, and Firm Size