

ABSTRACT

Value relevance research is a study of accounting based on relevance and reliability as the qualitative characteristics of accounting information. Tested by connecting the value relevance of accounting numbers with stock returns on the company's life cycle consists of four stage, namely the start-up, growth, mature, and decline. Classification of the company's life cycle stages in this study using the model belongs to Gup and Aggrawal (1996). Stock return is used as the dependent variable in this study. This research uses net income before taxes, cash flow from operating activities, cash flow from investing activities and cash flow from financing activities as an independent variable.

This sample in the property and real estate company listed on the Indonesia Stock Exchange with the study period between the years 2012-2014. Data was collected using purposive sampling method. Based on the criteria, the total of 41 companies selected as the population on this study. The analysis tool is the software program SPSS version 20.

Results from this study showed that : (1) The operating cash flow, cash flow investing, and financing cash flows have value relevance of accounting information that is higher in the start-up phase; (2) The cash flow investing and financing cash flow does not have the value relevance of accounting information that is higher in growth phase; (3) Earnings and operating cash flow does not have the value relevance of accounting information that is higher in mature phase; (4) The operating cash flow, cash flow investing, and financing cash flows does not have value relevance of accounting information that is higher in the decline phase.

Keywords : Earnings, Cash Flow, Life Cycle, and The Value Relevance.