

ABSTRACT

Muhammad Insan Kamil (201212178). *Factors that influence company choosing fair value method to record investment property in Property & Real Estate Companies Listed in Indonesia Stock Exchange Period 2012-2014 (led by Adrie Putra, S.E., MM).*

The purpose of this research is to examine factors that motivate companies for choosing accounting method to records investment property corresponding to PSAK 13 . The design of the researh is an explanatory causality with hypothesis test. The data source is from secondary data. The samples of the research are 81Property & Real Estate companies that listed in the Indonesia Stock Exchange. The sampling technique is purposive sampling. The units of analysis are manufacturing companies. The methods of data analysis is multi regression analysis.

The results showed that the size, leverage, asymmetric information and manager opportunistic are simultaneously affect the possibility to choosing fair value. Size, manager oportunistic partially affects on the possibility to choosing fair value significantly. Meanwhile, leverage and asymmetric information do not significantly affect the possibility to choosing fair value.

The finding shows there are companies that do not disclose the fair value of investment property, evethough in PSAK 13 has to disclose. That condition can be happen if the fair value of the investment property can not be measure correctly, or the company have not see the effect from the disclosure of property investment fair value

Keywords: accounting choice, fair value method, cost method, investment property