The Role Analysis of Accrual Management on Loss-Loan Provision Factor and Fair Value Accounting to Earnings Volatility

Prisila Damayanty

Doctoral Program in Economics, Trisakti University

Jl. Kyai Tapa No.20, RW.9, Tomang, Kec. Grogol petamburan, Kota Jakarta Barat, DKI Jakarta. Indonesia

Tel: 62+ (021) 5666717. E mail :prisild@rocketmail.com

Etty Murwaningsari

Doctoral Program in Economics, Trisakti University

Jl. Kyai Tapa No.20, RW.9, Tomang, Kec. Grogol petamburan, Kota Jakarta Barat, DKI Jakarta. Indonesia

Tel: 62+ (021) 5666717. E mail :prisild@rocketmail.com

Abstract

This aim of research is to prove that the loan-loss provision and fair value accounting influence the earnings volatility and the accrual management role in moderating the effect of fair value accounting to earnings volatility. Data were obtained from the annual report of the Directory of Indonesia Capital Market and the Stock Exchange of Indonesia Website. There are 81 samples as a result of a banking company's observation listed on the Stock Exchange in 2014-2016. The analysis of multiple moderated regression was used in this research. Finally, it showed that the loss-loan provision does not affect on earnings volatility, whereas the fair value accounting influenced earnings volatility positively. On the other hand, accrual management strengthens the influence of fair value accounting on earnings volatility

Keywords: loss-loan provision, fair value accounting, profit volatility, and accrual management

1.Preface

The main theory used in this research is positive accounting that estimates and describes accounting practices by management in maintaining earnings stability. The focus of discussion is the accrual management which is assumed to have been carried out by the banking industry, as seen from the profit volatility reported. The results of this research are expected to be a contribution of positive accounting theory in Indonesia. Zimmerman (1990) stated that accrual management was an opportunistic form because managers would try to condition the earnings report for future periods into the current period. This assumption is known as income smoothing, which is a strategy of selecting an accounting process that suits the expected conditions. There was an allegation that income smoothing was also done by management to influence investors, because investors did not like the high-profit volatility, because the cases indicated uncertainty about the company's future performance. Therefore, management strived to maintain earnings stability compared to profit gains that rose and fell sharply.

As a result, banks are suspected of doing earnings management by doing income smoothing, by lowering profits in the years when the bank gets high profits and raising profits when the conditions are not good, so earnings are quite stable from year to year. Besides, banks also apply a loan loss allowance policy to manipulate earnings, compared to the recognition of other accruals, because the manager can determine the level of allowance for losses (Lambert, 1984). Greenawalt & Sinkey (1988) in their research found evidence that bank managers did take advantage of the opportunity in manipulating earnings.

On the other hand, the relatively stable earnings actually can be controlled by a low level of profit volatility. This case can be done because the asymmetric information between bank management and investors happens, so bank uses a LLP (Loan Loss Provisions) strategy (El Sood, 2012). Perez (et al, 2008) stated that earnings management could be done using the loan-loss provisions method. Meanwhile, Wijayanti & Diyanti (2017) stated that income smoothing using LLP in conventional banks and Islamic banks had caused negative testing direction. Loss loan provision harms earnings before tax, presumably as a result of profit volatility using

CKPN calculations in a fair value measurement.

Chiahemba Ajekwe (2017) had observed the management of bank revenue and capital deposits by examining the effect of IFRS concept on the use of LLP. In his research, it was found that there was a significant progress in application of LLP for the income management and capital adoption periods of IFRS, just than management of pre-IFRS periods. Unfortunately, level of earnings management was very low in the post-IFRS period. Tessema & Deumes (2018) stated that general companies made income smoothing through discretionary accrual decisions. In his research, Tessema also found evidence that the higher market volatility will increase the volume of earnings so that it will motivate the manager to do greater income smoothing.

According to Ebach (2016), fair value accounting can induce higher profit volumes than historical cost accounting. The increase in profit volatility will adverse the company because it is considered a negative thing for investors, so low-profit volumes are considered more profitable. In his research, Ebach also found evidence that companies do earnings management to reduce earnings volumes. According to Heaton (2010), fair value accounting can increase the relevance of earnings volatility. Conversely, reducing the profit volumes can reduce it.

Oktavianty (2015) stated that the increase of profit volatility was the effect of PSAK adoption 50/55 (2006 revision) which provided a policy opportunity for management to discretion to maintain profit volume. By maintaining profit volume through the application of earnings management, the growth of the company's value will be maintained. Thus, the difference among this research and previous research is that about the existence of accrual management that is expected to strengthen the effect of fair value accounting on earnings volatility. So, novelty in this research is an existence of accrual management in moderating earnings volatility. By the existence of accrual management, the management can arrange financial statements by following an individual or group goals, such as managing risk, so that the high-profit volatility does not occur. Meanwhile, the aim of study is to find out: 1) effect of the loan-loss provision on earnings volatility; 2) effect of fair value accounting on earnings volatility; 3) role of accrual management in moderating the relationship of them.

2. Reference and Hypotheses Development

2.1 Literature Review

2.1.1 Positive Accounting Theory

The theory underlying this research is about the motivation of management in conducting earnings management as follows: (Zimmerman, 1990)

a) Bonus plan hypothesis, the investor is given a promise to get a bonus in connection with the performance of the company, especially related to profits earned by the company, so that motivation arises to recognize the company's profits. Profit in the future is recognized as the company's profit in the current period.

b) In the debt covenant hypothesis, in conducting a debt agreement, the company is required to fulfill several conditions proposed by the debtor in applying for a loan. Several requirements are those for certain conditions regarding the company finances. This condition is reflected in the financial ratio.

c) The political cost hypothesis, which explains the political consequences of management's accounting policy choices.

So, the motivation of managers to change financial statements do not have to use data manipulation methods, but it can use or choose accounting methods to manage profits and losses to be achieved to gain company objectives.

2.1.2 Agency Theory

This theory is the basis to understand the issue of accrual management and earnings volatility. The first detailed theoretical exploration was stated by Jensen and Mecking (1976). They mentioned that company managers are "agents" and "principal" shareholders. The shareholders, the principal, delegated business decision to managers who had became the agents. The problem arose as a consequence of ownership system that the agents did not use outonomy to make decisions exactly aimed to comply the principal will.

The opportunistic behavior could be done because the information asymmetry when the management had better information than the principal so that the management could take advantage to get personal desires or for the benefit of the group. This theory is used in this study to see whether companies carry out accrual management to reduce profit volatility.

2.1.3 Risk (Volatility)

Hanafi (2014) stated that risk was adverse event or the possibility of obtained results deviate on expected. Therefore, a standard deviation can be measured by statistical tool. Uncertainty can be reflected by high fluctuations in movement. The higher fluctuations, the greater degree of uncertainty, such as the prices of some instruments are calculated based on the annual standard deviation. Tandelin (2010) stated that investors in investing are always rational. Rational investors tend to avoid uncertainty or risk.

2.1.4 Accrual Management

Healy (1984) found that managers would choose accounting procedures through accrual management to maximize the value of their bonus rewards. This scheme seems to be an effective way to influence accrual managerial decisions and accounting procedures. They have significant relation especially about incentives in earnings managers report based on their bonus contracts. Beaver & Engel (1996) divided accruals into normal accrual and non-discretionary accrual. Both of them are namely total accruals. Nondiscretionary Accrual is the recognition of accruals that is reasonable by following generally accepted accounting regulations, while Discretionary Accruals (Abnormal Accruals) are the accrual recognition which becomes the choice of management policy

2.1.5 Loss-Loan Provision (LLP)

LLP is an accrual that has an important role for commercial banks. Loan loss provisions are known as an allowance for impairment losses or CKPN. Loan-Loss Provisioning is the provisioning of losses on credit portfolios which its fund has decreased in economic value. Based on the accounting standard guidelines, after the revised PSAK 55 in 2006, the term PPAP was changed to Allowance for Impairment Losses or LLP / CKPN. In LLP / CKPN, the formation or provision of funds is assessed from the results of debtor credit evaluations conducted by banks. If according to the bank there is objective evidence that credit from the debtor has decreased (impaired), then the bank must establish funds or reserves for credit. Meanwhile, Takeda et al. (1999) stated that loss loan provision is a serious problem influencing bank income. Managers have an interest in using the loss loan provision to adjust income as information for investors about the company's future

2.1.6 Fair Value Accounting

It is believed that fair value accounting to be more relevant than the historical cost approach. It can reflect the expected future. This is to adjust investor risk and cash flow more precisely than. (Fiechter, 2011)

Fair value accounting based on PSAK no. 55, is the value of an asset that can be exchanged or an obligation that can be resolved through a reasonable transaction involving parties who wish and have adequate knowledge. Fair value is the amount of rupiah agreed upon. IFRS for an object in a transaction should be carried out by parties who wish to be free without pressure or coercion, so the case does not cause more revenue volatility. For adopters, there is evidence of more volatile income. (Suwardjono, 2008)

2.2 Hypothesis Development

2.2.1 Loan Loss Provisions on Profit Volatility

Farook et al (2014) stated that high-profit volatility would harm the company, thus impacting bank performance, such as increasing the risk of banking reputation. In this case, the bank's management has an interest in maintaining the bank's volume. Ozili (2017) stated that banks in Africa used LLP to manage income funds as a part of capital market strategy, so it could reduce the profit volatility. Based on these findings, the following hypotheses are prepared: H1: Loan loss provisions have positive impact on earnings volatility.

2.2.2 Fair Value Accounting to Profit Volatility

Ebach (2016) stated that fair value accounting induced higher profit volatility than historical cost accounting. As a result, policies needed to be taken to reduce it. Barth, Landsman & Wahlen (1995) in their research found the evidence that the application of FVO (fair value option) caused profit volatility to be higher than the use of historical cost earning. Azira (2012) stated that the profit volatility of the banking sector increased due to the revision of PSAK 50/55 (revised 2011), so the following hypotheses were prepared: H2: Fair value accounting has positive impact on earnings volatility

2.2.3 Accrual Management moderates the relationship of Fair Value Accounting to Earnings Volatility

Wijayanti & Diyanti (2017) stated that the earnings volatility and their assumptions about management discretion proved to be valid, such there was income smoothing behavior in conventional banks. Barth (1995) in research found banks that used the fair value accounting method had high volatility compared to historical methods. Large earnings volatility will cause difficulties for investors to measure next earnings so that earnings estimates are

inaccurate. Therefore, banks suspected of carrying out accrual management had a moderation role to obtain a stable profit. Based on these findings, a hypothesis is formulated: H3: Accrual management moderates the relationship of fair-value accounting and earnings volatility.

3. Method

Study uses secondary data on audited financial statements published by the IDX Capital Market Reference Center (CRMC) and the Indonesian Capital Market Directory (ICMD). Population was banks that had obtained go public level and were listed in Indonesia Stock Exchange 2014 to 2016. Thus, it was obtained as much as 81 data, as follows :

Table 1. Number of Populations and Banking Company Samples

No	Note	Number of Companies
1	Banking companies listed on the IDX (research population) in 2014	34
2	Companies that were suitable with the criteria of determined samples	27
3	Number of data in the study period (number of companies x 3 years of the study period)	81

Source: Stock-Exchange Data Elaborated

The independent variable used is Loss Loan Provisision. Meanwhile, to determine the amount of allowance or reserve funds from a bank's credit, it is based on the calculation of CKPN. (Azira, 2012).

The next independent variable is fair value of accounting. Calculation of fair value is based on (Reni & Anggraini, 2014). Furthermore, the unrealized gain or loss due investment valuation is proxied by smoothes unrealized gain or losses. Smoothes unrealized gain or losses = α (URGL) / α (CFO).

The dependent variable is the earnings volatility that is operationalized as a rapid increase and decrease of risk in standard deviation of operating income. With its formula $\sqrt{(\sum X - X_{rata}2) / (n-1)}$, the total operating profit is reduced by the average operating profit of the company divided by n-1. (Djadang, 2018.)

The moderating variable is accrual management which is measured using (Murwaningsari, 2012). The choice of model to estimate accrual management can use Jones modification. The research model is moderating regression analysis which is proxied by discretionary accrual using $NDA_t = \beta_0 + \beta_1 Co_t + \beta_2 LOAN_t + \beta_3 NPA_t + \beta_4 \Delta NPA_t + 1 + \varepsilon$ (Beaver & Engel, 1996).

The control variable is SIZE measured by company assets. Debt to Assets Ratio (DAR) is measured as total debt per total company assets. Debt to Equity Ratio (DER) is measured as the total debt per total equity. The Return on Assets (ROA) is measured by net income per assets, while OPM (Operating Profit Management) is measured as operating income per sales.

Data analysis model uses moderating regression analysis with the equation:

Vol_ profit = $\beta_0 + \beta_1.LL + \beta_2.NW + \beta_3.NW * MA + \beta_4.SIZE + \beta_5.DAR + \beta_6.DER + \beta_7.ROA + \beta_8.OPM + \varepsilon$ it

Note: Vol_laba: Earnings Volatility, LL: Loan Loss Provision, NW: Fair Value, MA: Accrual Management, SIZE; Company Size, DAR: Debt to Assets Ratio, DER: Debt to Equity Ratio, ROA: Return on Assets, OPM: Operating Profit Management.

4. Result and Discussion

4.1 Description

Table 2. Variables

Variabel	Mean	Minimum	Maximum	Std dev
Vol_LABA	2348730,60	19486	27952839	5505102,84
LL	12,32	5,98	19,05	2,52
NW	,37	,01	2,55	,47
MA	5970506,13	37330	78080746	10246087,47
SIZE	178966284,72	4828575	1038706009	258684344,61
DAR	,85	,73	,92	,04
DER	6,62	,50	11,60	2,31
ROA	3,91	-3,90	207,00	23,16
OPM	17,56	-51,60	54,23	13,99

Note:
Vol_laba: Earnings Volatility, LL: Loan Loss Provision, NW: Fair Value, MA: Accrual Management, SIZE; Company Size, DAR: Debt to Assets Ratio, DER: Debt to Equity Ratio, ROA: Return on Assets, OPM: Operating Profit Management

Data analyzed in many 81 that fulfilled the criteria for the purposive sampling of banking sector companies during the period 2014 - 2016. This analysis engaged during the observation period from 2014 - 2016. They have a volatility value of 2,348,730. Among these companies, some of them have a minimum value of 19,486. The difference in earnings volatility, with the smallest value of 230,0272 and the biggest value of 27,952,839, indicated that the earnings volatility between the banking companies varies, while the standard deviation between companies is 5,505,102.84.

4.2 Classic Assumption Test Results

The results of the normality test show regression points spreaded, which mean that all data are normally distributed. There are exist in no strong correlation and no multicollinearity symptoms occur. From the VIF value <10, indicates that there is no multicollinearity. From the heteroscedasticity test showed that there was no heteroscedasticity because no clear pattern.

4.3 Hypothesis Test Results and Discussion

According to the result of the first hypothesis test, loss loan provision has a positive effect on earnings volatility. Takeda, Thomas, & Ahmed (1999) stated that the loss loan provision is a sizable accrual for banks. Managers use loss loan provisions to arrange income and capital to provide personal information prospects. In Takeda's research, it was found that no evidence stated earnings management through loss loan provision. This case contradicts Ozili's (2017) which found evidence that banks in Africa used loss loan provisions to conduct income smoothing.

Kiridaran Kanagaretnam, 2004) found evidence that bank did income smoothing through loan loss provisions to arrange earnings volatility. Also, Azira (2012) stated that policies in accrual accounting that were added in determining loan losses allowed manipulation by exaggerating or minimizing unexpected losses. This study found that the loss loan provision did not affect the earnings volatility. This case was due to the enactment of PSAK 50/55 (revised 2006) which had an impact on banks. It was not easy to do window dressing because there was no more flexibility in determining the loss loan provision. Impairment of the value of a company's loans can be recognized if there is a piece of real evidence, such as breach of contract or loss of the company and bankrupt declaration.

Table 3. The Role of Accrual Management of Provision Loss Loan Factors and Fair Value Accounting for Earnings Volatility

Variabel	Prediction	Correlation	P-value	Collinearity	
				Tolerance	VIF
LL	+	-0,008	0,945	0,693	1,443
NW	+	0,307	0,008 ***	0,635	1,547
NW*MA	+	0,411	0,000 ***	0,571	1,752
Variabel Control	Prediction	Coefficients	P-value	Collinearity	
				Tolerance	VIF
SIZE	+	0,797	0,000 ***	0,495	2,019
DAR	+	0,303	0,010 ***	0,360	2,778
DER	+	-0,180	0,104	0,348	2,874
ROA	+	0,084	0,234	0,966	1,035
OPM	+	-0,60	0,529	0,528	1,894
R2		0,392			
Adj R2		0,154			
F-Stat.		6,907			
Prob (F-Stat)		0,020	**		

*** significant at 1% level, ** significant at 5% level, * significant at 10% level

Note: Vol_laba: Profit Volatility, LL: Loan Loss Provision, NW: Fair Value, MA: Accrual Management, SIZE; Company Size, DAR: Debt to Assets Ratio, DER: Debt to Equity Ratio, ROA: Return on Assets, OPM: Operating Profit Management

Second hypothesis test result: Fair Value Accounting affects to the volatility. Azira (2012) stated that after adopting IFRS, the adoption of IFRS led to higher volatility compared to companies that did not adopt IFRS. Perrott & Hines (2002) added that the income generated that was produced by fair value accounting was more volatile than companies that applied GAAP. This case was caused by the recognition of non-conformity with cash flow.

The results are in line with Azira and Perrot's research. Earnings volatility is important for investors. High volatility reflects a high risk for investors, so naturally, investors are not interested in high-profit volumes. This phenomenon is encouraging the management to maintain the profit volume. The choice of applying fair value accounting in earnings volatility is easier than implementing more complex and difficult hedging strategies (Fiechter, 2011).

The result is also in line with Iatridis & Rouvolis (2010). They investigated the impact of IFRS implementation of public companies in Greece. The findings pointed out that IFRS had caused volatility in income that was largely due to the adoption of fair value accounting.

The result of the third hypothesis test shows that Accrual management moderates the relationship of fair value accounting to earnings volatility. Danbolt & Rees (2008) in his research found the application of fair value accounting was more consistent and relevant than historical costs. It mentioned that regulators had to pay attention to the fair value because there was a possibility that the value would be accompanied by earnings management that utilized subjective asset values.

Accrual management affects earnings volatility, it means that the higher opportunistic behavior of accrual management will reduce earnings volatility (Djadang, 2018.). High earnings volatility is not attractive to investors because it reflects high risk so the company will present financial reports by following the investor expectations. It means that maintaining the earnings volatility naturally will encourage management to conduct earnings management, because of the information asymmetry. (Reni & Anggraini, 2009)

Based on the five control variables, two of them are significant, namely size, which gets significant positive

effect on earnings volatility and DAR which gets a significantly too. As a result, three of them are not significant, namely debt to equity ratio, return on assets and operating profit margin.

5. Conclusion and Implication

5.1 Conclusion

Based on the series of data analyzes followed by the discussion and analysis of the role of accrual management on the factor of bank loss-loan provision and fair value accounting for earnings volatility, those are obtained several conclusions as follows:

1. The result indicates that the bank loss loan provider does not effect earnings volatility. This is due to the enactment of PSAK 50/55 (revised 2006) which has an impact on banks, so it is not easy for banks to do window dressing. In its content, there is no more flexibility in determining the Loss Loan Provision due to a decrease in the value of a company's loans. The case can only be recognized if there is found concrete evidence, such as a breach of contract or loss of the company and declared bankrupt.

2. The result also showed that fair value accounting had a significant positive impact on earnings volatility. The profit volatility is very important for investors. High volatility reflects a high risk for investors, so investors are not interested, so the management tries to maintain the profit volume, by utilizing the fair value accounting. (Fiechter, 2011).

3. It also indicates that accrual management reinforces the impact of fair value accounting on earnings volatility. It means that accrual management application can be used by management to adjust and maintain the earnings volatility. High-profit volatility increases the difficulty in predicting the company's future conditions, so it becomes important for management to maintain the profit volume.

5.2 Implication, Limitation, and Future

Implication is an understanding how banking strategies maintain earnings volatility. to remain attractive to investors, the regulator should tighten the rules, so that the practices can be arranged.

Limitation of study is that only uses 27 banking company samples from 34, and the sample span is only 3 years, so it can not describe the banking sector as a whole. Besides, this study only uses annual report data, there are no interviews, so it does not represent the actual conditions being faced by banking companies.

Future research is expected to produce research that can be generalized more broadly. For this reason, more data and more years of observation are needed, and new variables have added that effect to the earnings volatility of the banking industry. Finally, it can produce a sharper analysis, not only done by literature studies and annual reports but also is strengthened by interviews, so that the analysis is deeper and broader

References

Azira, A. A. (2012). "The Impact of International Financial Reporting Standards (IFRS) on Bank Loan Loss Provisioning Behaviour and Bank Earnings Volatility" (Unpublished Doctoral Dissertation), Massey University, New Zealand.

Barth, M. E., Landsman, W. R., & Wahlen, J. M. (1995). "Fair Value Accounting: Effects On Banks' Earnings Volatility, Regulatory Capital, And Value Of Contractual Cash Flows". Journal of Banking and Finance, 19(3–4), 577–605. https://doi.org/10.1016/0378-4266(94)00141-O

Beaver, W. H., & Engel, E. E. (1996). "Discretionary Behavior of With Respect To Allowances For Loan Losses And The Behavior Security Prices". Journal of Accounting and Economics, 22(1–3), 177–206. https://doi.org/10.1016/ S0165-4101(96)00428-4

Chiahemba Ajekwe, C. (2017). "Loan Loss Provisions, Earnings Smoothing and Capital Management Under IFRS: The Case of Deposit Money Banks in Nigeria". American Journal of Management Science and Engineering, 2(4), 58. https://doi.org/10.11648/j.ajmse.20170204.12

Danbolt, J., & Rees, W. (2008). Danbolt, J . and Rees, W . (2008). "An Experiment In Fair Value Accounting: UK Investment Vehicles". European Accounting Review An Experiment in Fair Value Accounting. UK: Investment Vehicles, 17(July), 271–303.

Djadang, S. (n.d.). MANAJEMEN AKRUAL (Artificial Smoothing)

El Sood, H. A. (2012). "Loan Loss Provisioning And Income Smoothing In US Banks Pre And Post The Financial Crisis". International Review of Financial Analysis, 25, 64–72. https://doi.org/10. 1016/j.irfa.2012.06.007

Fiechter, P. (2011). "The Effects of the Fair Value Option under IAS 39 on the Volatility of Bank Earnings". Journal of International Accounting Research, 10(1), 85–108. https://doi.org/10.2308/jiar.2011.10.1.85

Greenawalt, M. B., & Sinkey, J. F. (1988). "Bank Loan-Loss Provisions And The Income-Smoothing Hypothesis: An Empirical Analysis, 1976-1984". Journal of Financial Services Research, 1(4), 301–318. https://doi.org/10.1007/BF00235201

Hanafi, M. M. (2014). "Risiko, Proses Manajemen Risiko, dan Enterprise Risk Management". Manajemen Risiko, 1–40. https://doi.org/10.1016/j.ejogrb.2009.08.001\rS0301-2115(09)00488-6 [pii]

Healy. (1984). "The Effect Of Bonus Schemes On Accounting Decisions". Journal of Accounting & Economics, 24(612), 3–37. https://doi.org/10.1016/0165-4101(85)90029-1

Healy, P. M., & Palepu, K. G. (2001). "Healy And Palepu Information Asymmetry Corporate Disclosure And Teh Capital Markets". Journal of Accountancy and Research, 31(1–3), 405–440. https://doi.org/10.1016 /S0165-4101(01)00018-0

Iatridis, G., & Rouvolis, S. (2010). "The Post-Adoption Effects Of The Implementation Of International Financial Reporting Standards In Greece". Journal of International Accounting, Auditing, and Taxation, 19(1), 55–65. https://doi.org/10.1016/j.intaccaudtax.2009.12.004

Kiridaran Kanagaretnam, Gerald J Lobo, & Dong-Hoon Yang. (2004). "Joint Tests of Signaling and Income Smoothing through Bank Loan Loss Provisions". Contemporary Accounting Research, 21(4), 843. Retrieved from http://proquest.umi.com/pqdweb?did=769244471&Fmt=7&clientId=23440&RQT=309&VName= PQD&cfc=1

Lambert, R. A. (2011). Income Smoothing Equilibrium as Rational Behavior. October, 59(4), 604–618.

Mason-Jones D.R., R. and T. (1999). Article information: Int J Logistics Management. https://doi.org/10. 1108/09574090910954864

Murwaningsari, E. (2012). "Faktor-Faktor yang Mem-pengaruhi Cost of Capital (Structural Equation Model)". Accident Analysis and Prevention, (2), 1–16. https://doi.org/10.1016/j.aap.2012.05.027

Ozili, P. K. (2017). "Bank Earnings Smoothing, Audit Quality And Procyclicality In Africa: The Case Of Loan Loss Provisions". Review of Accounting and Finance, 16(2), 142–161. https://doi.org/10.1108/RAF-12-2015-0188

Pajak, W. (2015). IURI \ ALT, 7.

Perrott, G., & Hines, W. (2002). "Fair Value Accounting Compared to Other Accounting Systems". North American Actuarial Journal, 6(1), 62–87. https://doi.org/10.1080/10920277.2002.10596029

Reni, F., & Anggraini, R. (n.d.). "Nilai Wajar pada Kualitas Laba" - FRR Anggraini.pdf, 58–59.

Safari Gerayli Ph Student, M. D., Momeni Yanesari, A., Reza Ma, A., & Ph Student, atoofi D. (1450). "Impact of Audit Quality on Earnings Management: Evidence from Iran". International Research Journal of Finance and Economics Issue, 66(66). https://doi.org/10.1159/000342552

Takeda, C., Thomas, S., & Ahmed, A. S. (1999). "Bank Loan Loss Provisions: A Reexamination Of Capital Management, Earnings Management And Signaling Effects". Journal of Accounting and Economics, 28(1), 1–25.

Tessema, A., & Deumes, R. (2018). "SFAS 133 And Income Smoothing Via Discretionary Accruals: The Role Of Hedge Effectiveness And Market Volatility". Journal of International Financial Management and Accounting, 29(2), 105–130. https://doi.org/10.1111/jifm.12070

Van Horne, J. C., & Wachowicz, J. M. (2008). Fundamentals of Financial Management 13th Edition. https://doi.org/10.1111/j.1468-3156.1975.tb00170.x

Whipple, H. (2018). "Value Engineering and the Lean Start-Up". 2016. Value Summit: The Power of VE.

Wijayanti, R., & Diyanti, V. (2017). "Pengaruh Volatilitas Laba, Perataan Laba dan Corporate Governance terhadap Kualitas Laba Bank Syariah dan Konvensional". Jurnal Akuntansi Dan Investasi, 18(1), 66–79. (28) https://doi.org/10.18196/jai.18161

Zhou, J., & Elder, R. (2004). "Audit Quality And Earnings Management By Seasoned Equity Offering Firms". Asia-Pacific Journal of Accounting & Economics, 11(2), 95–120. https://doi.org/10.1080/16081625.2004. 10510638