

SUMMARY

DWI PUSPITASARI. Analysis Of Impact Fixed Asset Revaluation On Future Firm Performance Companies Listed In Indonesian Stock Exchange. Supervised by LUKYTAWATI ANGGRAENI and SYAMSUL HIDAYAT PASARIBU.

Revaluation of fixed assets is a reassessment of the carrying value of fixed assets to obtain fair value. Revaluation of fixed assets is used as one of the company's policies in presenting the fair value of fixed assets to provide relevant information to interested parties. Thus, the company can present income and cost calculations more reasonably to reflect the ability and true value of the company.

The purpose of this study is to examine the impact of fixed assets revaluation on the company's performance in the future as measured by operating income and cash from operating activities and market reactions that are proxied by stock prices and stock returns applied by companies listed on the Stock Exchange in the period 2008- 2014. The sample in this study used 19 companies that used the revaluation method which was chosen by purposive sampling technique. The method of analysis in this study used panel regression analysis and also multiple regression analysis. The type of data used in this study is secondary data obtained from the financial statements of each sample company. Other supporting data is obtained from literature studies or through a text book.

The results of this study concluded that the revaluation of fixed assets, changes in operating income and total assets had a significant positive effect on operating income. Revaluation, changes in cash flows, changes in working capital and total assets also have a significant positive effect on operating cash flows. While revaluation of fixed assets does not affect stock prices and stock returns. Variables that will affect stock price are earnings per share and book value per share. Net income variables also show significant results affecting stock returns.

These results have practical implications for company managers in making decisions about activities that give benefit to the company and the owner. The impact of revaluation on income and cash flow is certainly a positive signal for investors on the performance of companies that require guarantees for smaller business risks and the level of health and sustainability of the company in the future. The growth of investment activities will further encourage better economic growth.

Before deciding to implement a cost or revaluation model in measuring fixed assets, management first to consider the needs of stakeholders, there are creditors and investors. Management should consider company's performance comprehensively that will be directly related positive signal to investor and other related parties.

Keywords : fixed assets, operating cash flows, operating income, revaluation of fixed assets, stock prices, stock returns.