

IABC 2019

The 6th International
Accounting and Business
Conference

THE 6TH INTERNATIONAL ACCOUNTING & BUSINESS CONFERENCE 2019

*Towards Greater Transparency, Accountability
& Sustainability in Financial Governance*

Organized by:



UNIVERSITI
TEKNOLOGI
MARA

Cawangan Johor
Kampus Segamat
Kampus Pasir Gudang

In Cooperation with:



INDONESIA
BANKING
SCHOOL

21 - 22 AUGUST, 2019
INDONESIA BANKING SCHOOL

THE 6TH
INTERNATIONAL ACCOUNTING
&
BUSINESS CONFERENCE

SECRETARIAT OF IABC 2019

MALAYSIA . INDONESIA . 2019

Published by

© UiTM Cawangan Johor, 2019

Jalan Universiti Off KM 12 Jalan Muar, 85000 Segamat, Johor.

Email: iabc@uitm.edu.my

All rights reserved. No part of this publication may be reproduced, copied, stored in any retrieval system or transmitted in any form or by any means – electronic, mechanical, photocopying, recording or otherwise, without prior permission in writing from the author.

Email: iabc@uitm.edu.my

TABLE OF CONTENT

No.	Particulars	Page
1.	Foreword – Vice Chancellor, Universiti Teknologi MARA	2
2.	Foreward - Chairman, Indonesia Banking School	3
3.	Foreword – Rector, Universiti Teknologi MARA Cawangan Johor	4
4.	Foreword – Chairperson, International Accounting and Business Conference 2019	5
5.	Foreword – Chairperson, International Accounting and Business Conference 2019	6
6.	Itinerary – Programme Schedule	7
7.	Keynote Speaker	8
8.	Parallel Session Schedule	9
9.	Abstracts	23
10.	Organising committee	101
11.	Collaborators	103
12.	Acknowledgement	104
13.	Sponsor	105

IABC2019-064**THE IMPACT OF DIVERSIFICATION STRATEGY, LEVERAGE, IOS ON REAL EARNINGS MANAGEMENT**

Dr. MF Christiningrum, Ak., CA.

Faculty of Economic, Institut Bisnis Nusantara
Jakarta, Indonesia
christiningrum@ibn.ac.id

Abstract

This study examines the impact of diversification strategies, the level of use of debt (leverage) and the investment opportunity set (IOS) on the performance and earnings quality of diversified firms. Earnings quality is measured by real earnings management. Diversification level is measured by Herfindahl index and number of corporate segments. The diversification strategies in this study are divided into 2 groups, namely related and unrelated diversification. Samples of this study are 120 multi-segment companies (1,320 firm years) listed in Indonesia Stock Exchange for an 11-year period from 2002 to 2012. The results of the study also find that multi-segment strategy affect positively real earnings transactions (via discretionary costs of production and abnormal operating cash flow). The option to perform transactions in real earnings management is significantly influenced by the increase in the number of segments and the level of debts as well as the use of investment opportunities set (IOS).