

The Influence of Auditor Opinion, Audit Committee, Discretionary Accrual on Corporate Performance and Cumulative Abnormal Return (Evidence From Indonesia Stock Exchange)

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Abstract

This research aimed to analyze and determine the influence of auditor opinion, audit committee, and discretionary accrual on the cumulative abnormal return of a company using corporate performance as a moderating variable in the agricultural, basic chemical industry, food and beverage, and finance companies listed on the Indonesia Stock Exchange 2016-2019. The data analysis method used path analysis and multiple linear regressions on a research population of 625 companies listed on the Indonesian Stock Exchange 2016-2019. This research used 226 companies as samples. Research result shows that the auditor opinion and audit committee has no significant influence on corporate performance. Discretionary accrual has a significant influence on corporate performance. Auditor opinion, audit committee, and discretionary accrual have no positive influence on cumulative abnormal return. Corporate performance has a significant influence on cumulative abnormal returns.

Keywords: auditor opinion, audit committee, discretionary accrual, corporate performance, cumulative abnormal return

1. Introduction

Auditor opinion is a statement of opinion given by the auditor / public accountant in examining the fairness of the client's financial statement in accordance with the applicable financial accounting standards in Indonesia. The most favored auditor opinion is the unqualified opinion (WTP). It means that the client's financial statements adhere to financial accounting standards that are applied consistently with the previous year's financial statements. In addition, there are no errors in the presentation of the numbers in the financial statements. WTP is highly favored by investors as it shows the correct financial statements and the performance of financial statements, and increases share prices. The Ministry of Finance imposed sanctions on Public Accountants (AP) Kasner Sirumapea and Public Accountants Firm (KAP) Tanubrata, Sutanto, Fahmi, Bambang and Rekan, as auditors of the financial statements of PT Garuda Indonesia (Persero) Tbk. Sanctions were given after the Ministry of Finance examined the AP / KAP regarding the problems of Garuda Indonesia's financial statements for the 2018 financial year. In the examination, the Ministry of Finance found a violation, especially the recognition of revenue from the cooperation agreement with PT Mahata Aero Teknologi. It was not in accordance with accounting standards. License suspension for 12 months (KMK No. 312 / KM.1 / 2019 dated 27 June 2019) was charged against AP Kasner Sirumapea for committing serious violations that significantly affect the opinion of the independent auditor report (Akhdi Martin Pratama, 2019). Some other research on the effect of auditor opinion on cumulative abnormal return shows significant results (Abbot and Peter; Ferdinand, 2008; Lin and Ziao, 2013; Zakaria and Daud, 2013; Wicaksono and Ari, 2011).

Good corporate governance involves management and institutional ownership structures. The presence of a cooperating board of commissaries and the audit committee will increase stock prices. Increased stock prices would increase the return of share ownership for the investors. Devisia's research (2011) stated that governance, using the audit committee as a proxy, has no significant influence on corporate performance affecting stock prices or cumulative abnormal return. Ningsih dan Suryaatmaja (2017) studied the influence of good corporate governance on cumulative abnormal return. The research result shows that good corporate governance has a positive significant influence on the cumulative abnormal return of company shares in the Indonesian Stock Exchange (Chen and Zhao,

2010; Daniri 2014; DarmawatiRahayu, 2014; Hardikasari, 2011; Handayani, 2017; Theresia, 2015; Jain, 2013; Fachriyah, 2017; Samani, 2008; Garba, 2015; Suryaatmaja, 2017).

Earning management reflected through discretionary accrual, using income smoothing and retained earning management from the accounting period as a proxy, will increase stock prices. Earning management can be used for distributing bonuses, tax payment, incentives, and capital market consideration for an initial public offering on contractual motivation. Istiqomah dan Adhariani (2017) studied the influence of earning management on cumulative abnormal return (AdharianidanIstiqomah, 2017). The research result showed that earning management has a negative influence on cumulative abnormal return. Other research shows that earning management significantly influenced cumulative abnormal return (Jaing and Yeung, 2006; Healy, 1998). Indrayati (2011) studied the influence of auditor opinion and earning management on cumulative abnormal return. The research result showed that auditor opinion has no significant influence on cumulative abnormal return on Indonesian Stock Exchange shares.

Company performance is the achieved result of company management in operating company funds to obtain maximum profit in accordance with company objectives. The profit is usually measured through the return on equity of a company. Ningsih dan Suryaatmaja (2017) studied the influence of management performance on stock return. Research results showed that management performance has a significant influence on stock return. Based on the aforementioned description, the researchers studied The Influence of Auditor Opinion, Audit Committee, and Discretionary Accrual on Cumulative Abnormal Return, using Corporate Performance as Mediating Factor, in the Indonesian Stock Exchange.

2. Material Studied

2.1 Auditor Opinion

Sukrisno Agoes (2017) stated in the Public Accountant Professional Standards (PSA 29 SA Section (508) that there are 5 types of auditor opinion: 1) Unqualified opinion, 2) Unqualified opinion with explanatory language, 3) Qualified opinion, 4) Adverse opinion, 5) Disclaimer opinion. Luci Wangiti Munere, Mungai John Njangiru, and Susan Wahito Ngungu research (2016) on auditing and Financial Performance found that auditing has a significant influence on financial performance using strong internal control on water company in Kenya.

2.2 Good Corporate Governance

Good corporate governance (GCG), according to the Organization for Economic Cooperation Development/OECD (2004), is how the company management being responsible to shareholders. The principles of good corporate governance developed by OEDC (2004) covers 5 factors: a) protection of rights of the shareholders, b) equal treatment of all shareholders, c) role of stakeholders related to the company, d) openness and transparency, e) accountability and responsibility. The five principles of good corporate governance are crucial for management, principal, and agent in managing a company. KNKG (2006) stated that good corporate governance tool covers: a) shared ownership structure of the majority and minority, as well as managerial and public, b) independent commissary board and c) audit committee. Scott (2015) defined good corporate governance (GCG) as a system used by the board to direct, control, and supervise the management of organization resources effectively, efficiently, economically, and productively using the principles of transparency, accountability, responsibility, independence, and fairness to achieve organizational goals. Rahmawati and Handayani research (2017) on GCG practices on financial performance and stock prices stated that the audit committee has a positive and insignificant influence on financial performance. In addition, financial performance has no significant influence on stock prices.

2.3 Earning Management

Earning management, according to Scott (2015) is manager action to report earnings that can maximize personal and company interest (shareholders) utilizing accounting policies or accounting methods and accrual transactions. Earning management is conducted by increasing profit, decreasing profit, income smoothing, and retain earning. Earning has a crucial role in showing performance achieved by the management and encourage investment into the company. The increased investment will improve investor cumulative abnormal return. Earning management aims to reduce excessively extreme earnings by increasing or decreasing earnings using discretionary accrual component. The investors prefer unfluctuating and increasing earnings tendency. Watts dan Zimmerman (1986) stated 3 managerial motivation to conduct earning management, namely: bonus plans, debt contracts, political costs, tax motivation, change of leadership, initial public offering (IPO), and information communication with investors. Jiang dan Yeung (2006) research on discretionary accrual and earning management stated that the practice of discretionary accrual may increase corporate earnings and revenues.

2.4 Management Performance

Management Performance is the result achieved by the company during operations in a certain accounting period, which is measured by return on equity (ROE), namely the rate of return on capital obtained from investment (Scott, 2015). Rani, Yadav, and Jain (2013) state that good corporate governance with short-term performance has a positive and significant effect on Abnormal Return.

2.5 Cumulative Abnormal Return

Cumulative abnormal return is the total of abnormal return obtained from the company's stock return minus the market return. Stock return is the present stock price minus the previous period's stock price. The market return is the present combined stock price (IHSG) minus the previous period's combined stock price (Scott, 2015).

2.6 Research Hypothesis

Ngungu (2016) stated that auditor opinion has a significant influence on company performance. Good company performance will increase company value or stock price. In turn, the stock price will increase the cumulative abnormal return. The formulated hypothesis is described as follows: H1: Auditor opinion has a significant influence on financial performance.

Good corporate governance, using the audit committee as a proxy, influences company performance if the auditor opinion provides good opinion. (Handayani, 2017). The formulated hypothesis is described as follows: H2: Audit committee has a significant influence on financial performance.

Discretionary accrual, by selecting an appropriate accounting method to increase earnings, may increase company performance (Scott, 2015) (Jiang dan Yeung, 2006). The formulated hypothesis is described as follows: H3: Discretionary accrual has a significant influence on financial performance.

Good and improving company performance may increase cumulative abnormal return. (Scott, 2015) (Handayani, 2017). The formulated hypothesis is described as follows: H4: Financial performance has a significant influence on Cumulative abnormal Return.

A good auditor opinion in the form of an unqualified opinion increases investor reaction and cumulative abnormal return. The research hypothesis is described as follows: H5: Auditor opinion has a significant influence on Cumulative Abnormal Return.

Good governance and audit committee encourages unqualified opinion, increasing the investor's trust in the company and cumulative abnormal return (Handayani, 2017). The research hypothesis is described as follows: H6: Audit committee has a significant influence on Cumulative Abnormal Return.

Discretionary accrual, through selecting appropriate accounting methods capable to increase company earnings, increases company performance. In turn, company performance increases cumulative abnormal returns. (Jiang dan Yeung, 2006). The research hypothesis is described as follows: H7: Discretionary accrual has a significant influence on Cumulative Abnormal Return

3. Method

3.1 Data

This study used a population of 625 companies listed on the Indonesian Stock Exchange. The samples taken were 14 Plantation companies, 1 Animal Husbandry companies, 1 Fishery company, 1 Others, 6 Cement companies, 7 Ceramic Porcelain Glass companies, 14 Metal and Allied Product companies, 13 Chemicals companies, 13 Plastic Packaging companies, 5 Animal feed companies, 4 Wood processing companies, 9 Pulp and Paper companies, 31 Food and beverage companies, 5 Cigarettes companies, 10 Pharmacy companies, 6 Cosmetics companies, 5 household equipment companies, 40 Banks, 17 financing institutions, 9 securities companies, 15 Insurance companies in 2016-2019. The total samples were 226 companies taken by purposive sampling.

This research used secondary data and was collected in the form of documentation from the audited financial statements of companies listed on the Indonesian stock exchange in 2016-2019. Data processing and analysis methods used in this research were path analysis and multiple linear regression with the classical assumption, minimum, maximum, mean, and standard deviation and hypothesis test.

3.2 Research Variable

Dependent Variable:

1. Company Performance

Company performance is the result achieved by company management in operating company funds to obtain optimal returns measured by return on equity (ROE), namely net income divided by the level of equity turnover (Brigham, 1993).

$$ROE = \text{Net Income}$$

Common Equity

2. Cumulative abnormal return

Cumulative abnormal return (CAR) is the total of abnormal return obtained from the company's stock return minus the market return. Stock return is the present stock price minus the previous period's stock price. The market return is the present combined stock price (IHSG) minus the previous period's combined stock price. Scott, (2015).

$$CAR = \sum AR_{it}$$

Description:

CAR_{it} = cumulative abnormal return of company i on year t.

AR_{it} = company abnormal return of company i on year t

$$AR_{it} = R_{it} - R_{mt}$$

$$R_{it} = \frac{P_{it} - P_{it-1}}{P_{it-1}}$$

$$R_{mt} = \frac{IHSG_t - IHSG_{t-1}}{IHSG_{t-1}}$$

Independent Variable:

1. Auditor Opinion

The auditor opinion is the statement of opinion given by the auditor during the examination of a client's financial statements. The examination determined whether a client has complied and applied SAK consistently with the previous year's financial statement. It is described as 1 = unqualified opinion and 2 = other opinions, namely unqualified in explanatory language, qualified opinion, adverse opinion, and disclaimer opinion (Sukrisno Agus, 2017).

2. Good corporate governance

Good corporate governance is usually measured by the presence of a board of commissioners, audit committee, shares owned by majority and minority, as well as institutional and managerial ownership. The good corporate governance measurement was 1 if the audit committee has 5 people and 0 if there are no people in the audit committee (Handayani, 2017).

3. Earning Management

Agents conduct earning management through increasing earning, reducing earning, retaining earning, and smoothing earning to distribute bonuses, tax payment, political costs, settlement of debt contracts, IPO, change of leadership, and information communication with investors (Scott, 2015). Earnings management is measured through discretionary accruals obtained by a formula based on Healy's model (1998)

$$TACC_{it} = \Delta Ca_{it} - \Delta CI_{it} - \Delta Cash_{it} - \Delta STD_{it} - Dep_{it}$$

A_{it-1}

Description:

TACC_{it} = Total accruals of company I in year t

ΔCa_{it} = Change in current assets of company I in year t

ΔCI_{it} = Change in current debt of company I in year t

ΔCash_{it} = Change in cash and cash equivalents of company I in year t

ΔSTD_{it} = Changes in long-term debt including current debt

Dep_{it} = Depreciation and amortization expense for company i in year t

A_{it-1} = Total assets of company i in year t - 1

I = 1n company

T = 1.....t estimated year

De Angelo's model predicts non-discretionary accruals using the ratio of total accruals for the period before the observation period (TA t-1) compared to the difference in total assets (A t-2). Therefore, De Angelo's model for non-discretionary accruals is as follows:

$$NDA_t = TA_{t-1}$$

A t-1

Description:

NDA t = The company normal or fair accrual rate in year t

TA t-1 = Total company accruals in year t-1

A t-1 = Total assets of the company in year t-2

The discretionary accruals are shown by the difference between the total accruals in year t divided by A t-1 by the NDA.

$$DACC_{it} = TA_{it} - NDA_{it}$$

3.3 Empiric Model

The path model or multiple linear regression with the standardized coefficient explains the functional relationship of the Auditor Opinion (X1), Audit Committee (X2), and Discretionary Accrual (X3) to Performance (Y1) and CAR-Cumulative Abnormal Return (Y2) variables. The model is described as follows:

Model 1

$$Performance = \beta_1 \text{ Auditor Opinion} + \beta_2 \text{ Audit Committee} + \beta_3 \text{ Discretionary Accrual} + e$$

Model 2

$$CAR = \beta_4 \text{ Performance} + \beta_5 \text{ Auditor Opinion} + \beta_6 \text{ Audit Committee} + \beta_7 \text{ Discretionary Accrual} + e$$

Description:

β_1 = Auditor Opinion to Performance Coefficient

β_2 = Audit Committeeto Performance Coefficient

β_3 = Discretionary Accrual to Performance Coefficient

β_4 = Performance to CAR Coefficient

β_5 = Auditor Opinion to CAR Coefficient

β_6 = Audit Committeeto CAR Coefficient

β_7 = Discretionary Accrual to CAR Coefficient

4. Finding and Result

The path model or multiple linear regressions using the Standardized Coefficient above shows that equation (1) explains the hypotheses H₁, H₂, and H₃. Equation (2) explains the hypotheses H₄, H₅, H₆, and H₇. The results of the hypothesis test are described as follows.

Table 1. Summary of path analysis test

Variable		Coefficient	Total Influence		Simultaneous Hypothesis		Partial Hypothesis		Description
Exogenous	Endogenous		R ²	(%)	F hitung	p-value	t-value	p-value	
Auditor Opinion (X1)		0,001					0,008	0,993	Insignificant Influence
Audit Committee (X2)	Performance (Y1)	0,035	0,351	35,1%	9,412	0,000	0,425	0,672	Insignificant Influence
Discretionary Accrual (X3)		0,327					10,68	0,000	Significant Influence

Performance (Y1)		0,305				5,266	0,000	Significant Influence	
Auditor Opinion (X1)		0,076				0,937	0,350	Insignificant Influence	
Audit Committee (X2)	CAR (Y2)	-0,107	0,208	20,8%	4,532	0,002	-1,31	0,192	Insignificant Influence
Discretionary Accrual (X3)		0,013				0,019	0,850	Insignificant Influence	

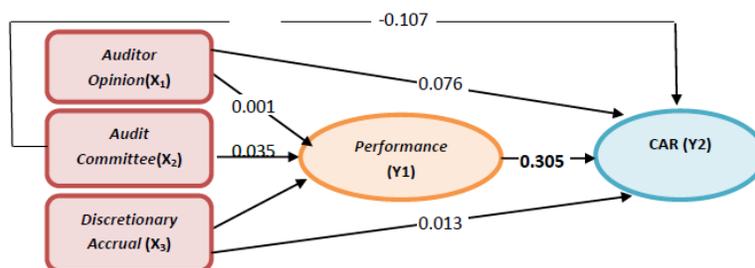


Figure 1. Path analysis diagram

Table 1 shows the estimation and hypothesis test results simultaneously. Model 1 shows F-count value of 9,412 with a p-value of 0.000. The p-value is smaller than alpha (0,05), therefore the statistical hypothesis states that Ho is rejected. It indicates that the Auditor Opinion (X₁), Audit Committee (X₂), and Discretionary Accrual (X₃) have a significant influence on Performance (Y₁) simultaneously. Model 2 shows F-count value of 4,532 with a p-value of 0.002. The p-value is smaller than alpha (0,05), therefore the statistical hypothesis states that Ho is rejected. It indicates that the Auditor Opinion (X₁), Audit Committee (X₂), Discretionary Accrual (X₃), and Performance (Y₁) has a significant influence on CAR (Y₂) simultaneously. Furthermore, the hypothesis is partially (individually) described in the following paragraph.

Table 1 shows the Auditor Opinion (X₁) influence on Performance (Y₁). The coefficient is 0,001 with a p-value of 0,993. Because the p-value is greater than alpha (0,05), Auditor Opinion (X₁) has no significant influence on Performance (Y₁). The Audit Committee (X₂) influence on Performance (Y₁) shows a coefficient of 0,035 with a p-value of 0,672. Because the p-value is greater than alpha (0,05), the Audit Committee (X₂) has no significant influence on Performance (Y₁). Discretionary Accrual (X₃) influence on Performance (Y₁) shows a coefficient of 0,327 with a p-value of 0,000. Because the p-value is smaller than alpha (0,05), Discretionary Accrual (X₃) has a significant influence on Performance (Y₁). Performance (Y₁) influence on CAR (Y₂) shows a coefficient of 0,005 with a p-value of 0,000. Because the p-value is smaller than alpha (0,05), the Performance (Y₁) has a significant influence on CAR (Y₂). Auditor Opinion (X₁) influence on CAR (Y₂) shows a coefficient of 0,076 with a p-value of 0,350. Because the p-value is greater than alpha (0,05), Auditor Opinion (X₁) has no significant influence on CAR (Y₂). Audit Committee (X₂) influence on CAR (Y₂) shows a coefficient of -0,107 with a p-value of 0,192. Because the p-value is greater than alpha (0,05), the Audit Committee (X₂) has no significant influence on CAR (Y₂). Discretionary Accrual (X₃) influence to CAR (Y₂) shows a coefficient of 0,013 with a p-value of 0,850. Because the p-value is greater than alpha (0,05), Discretionary Accrual (X₃) has no significant influence on CAR (Y₂).

4.1 Descriptive Analysis of Research Data

Table 2. Frequency Distribution of Research Variables

Variable	Minimum	Maximum	Mean	Std. Deviation
Auditor Opinion (X1)	4	5	4.990	0.115
Audit Committee (X2)	0	1	0.960	0.196
Discretionary Accrual (X3)	-3552	1	-15.704	236.277
Performance (Y1)	-558	1703	23.814	135.927
CAR (Y2)	0	80	1.318	6.339

Table 2 shows the respondent's description based on the size of data concentration (Central Tendency). Auditor Opinion Indicator (X1) shows the Minimum value of 4, Maximum value of 5, Mean value of 4.99, and Standard Deviation value of 0.115. The Audit Committee Indicator (X2) shows the Minimum value of 0, Maximum value of 1, Mean value of 0.96, and Standard Deviation value of 0.196. The Discretionary Accrual Indicator (X3) shows the Minimum value of -3552, Maximum value of 1.02185, Average value (Mean) of -15.704, and the Standard Deviation value of 236.277. The Performance Indicator (Y1) shows the Minimum value of -558.02, Maximum value of 1702.97, Mean value of 23.814, and a Standard Deviation value of 135.927. The CAR indicator (Y2) shows the Minimum value of 0, a maximum value of 79.832, Mean value of 1.318, and Standard Deviation value of 6.339.

Model 1 normality test results show normal data with One-Sample Kolmogorof-Smirnov test Asymp. Sig. value of 0.877. Auto-correlation shows the Durbin-Watson score of 2.020 between dU and 4-dU. Multicollinearity shows a tolerance value of less than 1 and a VIF value of less than 10. The heteroscedasticity test using the scatter-plot indicates that the points are spread above and below the number 0 on the Y-axis randomly (Appendix).

Model 2 normality test result shows normal data with One-Sample Kolmogorof-Smirnov test Asymp. Sig. value of 0.971. Auto-correlation shows the Durbin-Watson score of 1.992 between dU and 4-dU. Multicollinearity shows a tolerance value of less than 1 and a VIF value of less than 10. The heteroscedasticity test using the scatter-plot shows that the points are spread above and below the number 0 on the Y-axis randomly (appendix).

5. Conclusion and Limitation

This study examined the influence of auditor opinion, audit committee, and discretionary accrual on corporate performance and cumulative abnormal returns on the Indonesian stock exchange. The analysis result shows that discretionary accruals have a significant effect on corporate performance. The auditor opinion and audit committee have no influence on corporate performance. This study supports Devisia's (2011) research which stated that auditor opinion and audit committees have no influence on corporate performance. This research does not support Ningsih and Suryaatmaja's (2017) research which stated that the audit committee has a significant effect on corporate performance.

Corporate performance has a significant effect on cumulative abnormal return. Auditor opinion, audit committee, and discretionary accruals have no influence on cumulative abnormal return. This study supports Dewi Adhariani's (2017) research stating that DiscretionaryAccruals have no influence on cumulative abnormal returns. In addition, this research support Indrayati's research (2011) stating that auditor opinion has no significant effect on cumulative abnormal returns. This study supports Ningsih and Suryaatmaja (2017) stating that performance has a significant effect on cumulative abnormal return.

5.1 Limitation and Suggestion

This research implies that a good auditor opinion in the form of an unqualified opinion and the existence of an audit committee will not be able to improve performance. However, it is found that a reduction in earnings management can improve performance. While performance can increase cumulative abnormal returns, unqualified opinion and the presence of an audit committee are not able to affect cumulative abnormal returns. It can be said that the research about the effect of earnings management and performance on cumulative abnormal returns will be able to help investors invest their funds into the company by selecting companies that have good performance and minimize their earnings management

This research took 226 companies as research samples. The variables used were auditor opinion, audit committee, discretionary accrual, and corporate performance that influence cumulative abnormal return. Future research may increase the sample size to produce a generalized result on the companies listed on the Indonesian stock exchange. Based on the research limitations, future research may add variables that affect cumulative abnormal returns such as company growth and profit growth (Indrayati, 2011).

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Appendix A

Multiple Linear Regression Model 1

Table 3. Descriptive

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Auditor_Opinion	226	4	5	4,99	,115
Audit_Committe	226	0	1	,96	,196
Discretionary_Accrual	226	-3552,00000	1,02185	-15,7035173	236,27654658
Performance	226	-558,02	1702,97	23,8143	135,92717
CAR	226	,0000	79,8320	1,317714	6,3388431
Valid N (listwise)	226				

Table 4. Correlations

		Performance	AuditorOpinion	AuditCommittee	DiscretionaryAccrual
Pearson Correlation	Performance	1,000	,020	,035	,007
	Auditor_Opinion	,020	1,000	,570	-,008
	Audit_Committee	,035	,570	1,000	-,014
	Discretionary_Accrual	,007	-,008	-,014	1,000
Sig. (1-tailed)	Performance	.	,380	,301	,461
	Auditor_Opinion	,380	.	,000	,454
	Audit_Committee	,301	,000	.	,419
	Discretionary_Accrual	,461	,454	,419	.
N	Performance	226	226	226	226
	Auditor_Opinion	226	226	226	226
	Audit_Committee	226	226	226	226
	Discretionary_Accrual	226	226	226	226

Table 5. Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,036 ^a	,0,151	-,012	136,75557	2,020

a. Predictors: (Constant), Discretionary_Accrual, Auditor_Opinion, Audit_Committee

b. Dependent Variable: Performance

Table 6. ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	5280,747	3	1760,249	,094	,013 ^b
Residual	4151863,026	223	18702,086		
Total	4157143,774	223			

a. Dependent Variable: Performance

b. Predictors: (Constant), Discretionary_Accrual, Auditor_Opinion, Audit_Committee

Tabel 7. Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1 (Constant)	-3,266	453,567		-,007	,004		
Auditor_Opinion	,816	96,701	,001	,008	,993	,676	1,480
Audit_Committee	24,029	56,600	,035	,425	,672	,676	1,480
Discretionary_Accrual	,004	,039	,007	,104	,017	1,000	1,000

Table 8. One-Sample Kolmogorov-Smirnov Test

	Unstandardized Residual	
N	226	
Normal Parameters ^{a,b}	Mean	,0000000
	Std. Deviation	135,84080595
Most Extreme Differences	Absolute	,348
	Positive	,348
	Negative	-,344
Test Statistic	,348	
Asymp. Sig. (2-tailed)	,877 ^c	

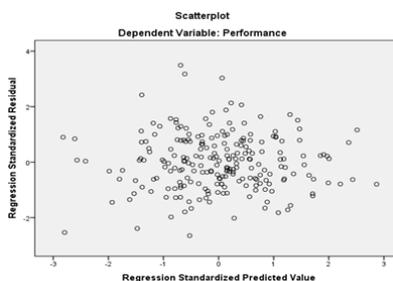


Figure 2. Scatterplot

Appendix B
Multiple Linear Regression Model 2

Table 9. Descriptive Statistics

	Mean	Std. Deviation	N
CAR	1,317714	6,3388431	226
Performance	23,8143	135,92717	226
Auditor_Opinion	4,99	,115	226
Audit_Committee	,96	,196	226
Discretionary_Accrual	-15,7035173	236,27654658	226

Table 10. Correlations

		CAR	Performance	Auditor_Opinion	Audit_Committee	Discretionary_Accrual
Pearson Correlation	CAR	1,000	,003	,015	-,063	,014
	Performance	,003	1,000	,020	,035	,007
	Auditor_Opinion	,015	,020	1,000	,570	-,008
	Audit_Committee	-,063	,035	,570	1,000	-,014
	Discretionary_Accrual	,014	,007	-,008	-,014	1,000
Sig. (1-tailed)	CAR	.	,484	,408	,172	,419
	Performance	,484	.	,380	,301	,461
	Auditor_Opinion	,408	,380	.	,000	,454
	Audit_Committee	,172	,301	,000	.	,419
	Discretionary_Accrual	,419	,461	,454	,419	.
N	CAR	226	226	226	226	226
	Performance	226	226	226	226	226
	Auditor_Opinion	226	226	226	226	226
	Audit_Committee	226	226	226	226	226
	Discretionary_Accrual	226	226	226	226	226

Table 11. Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,090 ^a	,108	-,010	6,3698811	1,992

a. Predictors: (Constant), Discretionary_Accrual, Performance, Auditor_Opinion, Audit_Committee

b. Dependent Variable: CAR

Table 12. ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	73,550	4	18,387	,453	,027 ^b
	Residual	8967,160	222	40,575		
	Total	9040,710	222			

b. Predictors: (Constant), Discretionary_Accrual, Performance, Auditor_Opinion, Audit_Committee

Table 13. Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-16,402	21,127		-,776	,438		
	Performance	,000	,003	,005	,071	,044	,999	1,001
	Auditor_Opinion	4,219	4,504	,076	,937	,350	,676	1,480
	Audit_Committe	-3,455	2,637	-,107	-1,310	,192	,675	1,481
	Discretionial_Accrual	,000	,002	,013	,190	,850	1,000	1,000

Table 14. One-sample kolmogorov-smirnov test

		Unstandardized Residual
N		226
Normal Parameters ^{a,b}	Mean	,0000000
	Std. Deviation	6,31300599
Most Extreme Differences	Absolute	,438
	Positive	,438
	Negative	-,392
Test Statistic		,438
Asymp. Sig. (2-tailed)		,971 ^c

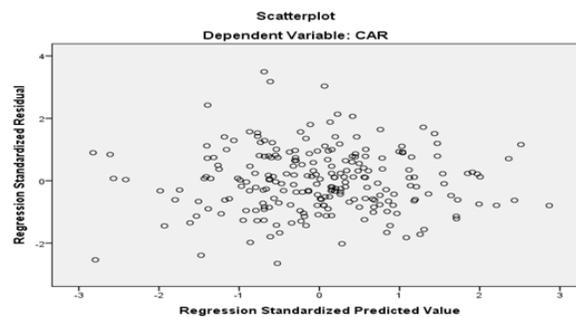


Figure 3. Scarterplot

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