

PSAK 117 With Financial Performance As an Independent Variable On Company Value In Insurance Companies

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Abstract

Background - Financial performance is a depiction of the condition of a company that is analyzed to provide information on the achieved work performance and as a basis for evaluation and assistance in making financial decisions for the company.

Purpose - This research aims to determine the influence of applying PSAK 117 with the variables of financial performance, profitability, and solvency on the value of the company in insurance companies.

Methodology - This research uses a quantitative descriptive method. The population in this study is general insurance companies listed in the Financial Services Authority (OJK) during the period 2018-2023 totaling 76 companies. Through purposive sampling method, 6 companies were selected as samples for a 6-year observation period.

Findings - The result of this research that Profitability has a positive but not significant influence on the value of the company, Solvency has a negatively influences company value is significant. Profitability is moderated by PSAK 117 on the value of the company, and PSAK 117 is not able to moderate solvency on the value of the company.

Originality - In an effort to demonstrate the novelty of this research compared to previous research, the researcher attempts to compare various variables, research methods, and research results based on the theme of the influence of financial performance on company value with PSAK 117 as a moderating variable.

Keywords: Financial Performance, Profitability, Solvency, Company Value
