JRSSEM 2022, Vol. 01, No. 10, 1693 – 1705
E-ISSN: 2807 - 6311, P-ISSN: 2807 - 6494

IMPACT OF IMPLEMENTING REVENUE RECOGNITION BASED ON PSAK 72 IN THE COVID-19 PANDEMIC PERIOD

Ayunita Ajengtiyas Saputri Mashuri[1*]
Ratna Hindria Dyah Pita Sari[2]
[1,2]Universitas Pembangunan Nasional Veteran Jakarta
e-mail: ayunita.ajeng@upnvj.ac.id[1], ratnahindria@upnvj.ac.id [2]
*Correspondence: ayunita.ajeng@upnvj.ac.id

Submitted: 24 April 2022, Revised: 11 May 2022, Accepted: 20 May 2022

Abstract. This study was conducted to determine the effect of the application of PSAK 72 as well know as Revenue from contracts with customers. Financial performance using profitability ratios, which is proxied by Return on Assets. In this study, financial performance variables are used to find out more about companies implementing PSAK 72 during the covid 19 pandemic. The objects in this study are companies in the retail, telecommunications, real estate and contractor sectors listed in the IDX-Industrial Classification. The sample was selected using a purposive sampling technique so that the sample obtained was 127 samples during 2020 solely. The software or tool used to test the hypothesis is SPSS version 26. The results of this study result is There is no effect of the application of PSAK 72 in financial performance as measured by profitability ratios. although the implementation of PSAK 72 shows no significant (negative) effect, however, the company has made efforts to prepare for the implementation of PSAK 72 in 2019 by organizing training for its employees and evaluations before finally implementing PSAK 72. Thus, that the implementation of 72 does not have a completely have no on the company's financial performance, this is because the implementation PSAK 72 coincided with the Covid-19 pandemic which also caused the company's revenue to decrease.

Keywords: PSAK 72; financial performance; profitability ratios.

INTRODUCTION

PSAK 72 is an adoption of IFRS 15 which was effective on January 1, 2020, explaining that revenue will be recognized if the economic benefits associated with the transaction continue to flow to the entity during the period. The income consists of sales of goods, sales of services, interest, royalties and dividends. Revenue from the sale of goods is recognized when the goods have the benefit of ownership or control of the goods have been transferred to the buyer, the economic benefits associated with the transaction flow to the entity and the costs and transactions have been measured reliably (Al-Gahtani, 2011); (Wuttke, Blome, & Henke, 2013). Revenue from the sale of services is recognized when it refers to the stage of completion of the transaction at the end of the reporting period as long as it is measured reliably (Abdillah, 2020). Income arising from the use of the entity's assets by other parties that earns interest, royalties and dividends if the economic benefits associated with the transaction will flow to the entity and the amount of revenue can be measured reliably (Wisnantiasri, 2018); (Motta & Sharma, 2016).

PSAK 72 will bring some changes in the presentation of financial statements in influencing profit and sales figures and affecting the company's books. As stated by Djohan Pinnarwan through business media published on January 13, 2020, that PSAK 72 has different rules from the previous one, namely PSAK 44. This PSAK 72 does not recognize the difference in revenue recognition based on whether the sale is the sale of goods or the sale of services. PSAK 72 is divided into two principles of revenue recognition, namely the principle of *revenue recognized over the time* which recognizes revenue from the sale of services in the current standard and *revenue recognized at a point in time*, which recognition of revenue from the sale of goods in the current standard. According to (Murali, Pugazhendhi, & Muralidharan, 2016), the sale of *real estate* products is an example of the lack of clarity whether this sale is included in the sale of goods or the sale of services. The difference in revenue recognition provisions between PSAK 72 and PSAK 44 is that revenue recognition will not cause significant changes in the value of revenue on some contracts. If the type of contract is long-term, the difference in revenue recognition provisions between PSAK 44 and PSAK 72 will most likely cause a significant difference in the value of revenues and changes in financial performance in the current year. An example of revenue recognition at a certain time (*revenue recognized at a point in time*) If the sale of *real estate* products is the sale of goods, then revenue will be recognized at a certain time, namely when the goods have been handed over to the customer.

PSAK 72 changes the way contract revenue was previously *(rule based)* to be based on principles *(principle based)*. Recognition of contract revenue, for example, is not based on the amount of down payment that has been received. In this new standard, revenue recognition is carried out in stages according to the life of the contract *(over the time)* or at a certain point *(at a point of time)*. So the gradual revenue recognition cannot be applied to any contract. There are several conditions

related to the consumption of the benefits by the customer, the increase in the value of the asset on the customer's side, and the contract payment stage agreement. If a contract does not meet these requirements, the contract revenue can only be recognized when the asset is delivered *(at a point of time)* .

PSAK 72 will have a major impact on property companies, contractors, airlines, etc. Various companies are affected because they must have contracts with customers. One study that explains the impact of IFRS 15 is (Al-Nimer, 2015) that industrial companies in Jordan cannot commit to disclosure of accounting opinions in accordance with IFRS 15 because they do not sufficiently disclose quantitative and descriptive information on contracts with customers as well as important provisions and their assessments. when applying these standard instructions. The obstacles that prevent Jordanian industrial companies from being able to apply IFRS 15 are difficulties in understanding and explaining the requirements of this standard and the lack of an adequate accounting system to facilitate the application of special accounting treatment for income in accordance with this standard (Al-Shatnawi 2017) . According to (Rahayu, Rahmawati, & Rini, 2021); (Shakhatreh, Alsmadi, & Alkhataybeh, 2020) that PSAK 72 also replaces PSAK 23 which will be applied to all industries, there is a concern about industrial readiness because not all industries have simple transactions that can easily implement the five stages in PSAK.

Based on this information, in this study, we want to analyze the application of PSAK 72 and its impact on the company's financial performance in Retail, Telecommunications, *Real Estate* and Contractors companies listed on the Indonesia Stock Exchange in 2020. This PSAK 72 was effective in early 2020 in line with the Covid 19 pandemic happening all over the world

PSAK 72 is a change to the new standard for new revenue recognized through contracts from customers where the recognized revenue is modeled. This will greatly affect the financial statements and can also have an impact on changes in the company's financial performance. This situation is caused by PSAK 72 because the company's income has different recognition, disclosure, reporting and presentation

METHODS

Retail, Telecommunications, *Real Estate* and Contractors Companies have been listed on the Indonesia Stock Exchange in 2020 period as the population used The purposive sampling method was used as a sampling technique for this research. The criteria for selecting the required sample are as follows: (1) Infrastructure companies listed in the IDX-Industrial Classification and published annual financial statements in 2020; (2) Companies with stock and bond instruments on the IDX; (3) Companies with complete data as needed to carry out research, financial year and have implemented PSAK 72 for the 2020 financial year.

The data source of the research is secondary data. Secondary data is obtained from the company's annual financial

statements. For the variables used are financial performance the application of PSAK 72. Financial performance is an interpretation related to the financial situation of a company with financial analysis tools that can be analyzed, thus finding out about the financial condition of a company that is good or bad described in certain period of work performance. The financial performance used includes profitability ratios. The reason for choosing Retail Companies, Telecommunications, *Real Estate* and Contractors as the sample is because the real estate sector has an impact on the implementation of PSAK 72. Hence, the way of recognizing income that is different from the previous standard has the effect of applying this new standard to the property sector in recording revenue recognition. To recognize revenue if there is a handover of the property unit, it is transacted not when the unit is still under construction. It will affect the results of the company's performance which is reflected in the financial statements and is profitable for investors because the actual condition of the company is more visible. In addition, this standard statement mentions the recognition of revenue in accordance with the percentage of completion. So that only a certain percentage can only be said to be income and that can be difficult. The purpose of this application is to convey information to users of financial statements in terms of the nature, amount, timing and uncertainty of income and cash flows arising from contracts with customers.

RESULTS AND DISCUSSION

1. Description of Research Object

The object of research used in the research carried out is the infrastructure sector companies listed on the Indonesia Stock Exchange (IDX) using the index on the *IDX-Industrial Classification* in 2020. Based on information from the publication of the industrial classification of companies listed by the IDX as of January 19, 2021, there are 7 sub-sectors of companies in the infrastructure sector. The *purposive sampling technique* used by the researcher is to select the sample.

Table 1. Research Sample Criteria

No.	Sample Criteria	Amount
1.	Retail, telecommunication, Real Estate and contractor sector companies listed in *the IDX-Industrial Classification* in 2020 .	146
2.	Suspended company in 2020	(6)
3.	Companies that do	(1)

No.	Sample Criteria	Amount
	not have stock or bond instruments	
4.	Companies that do not apply PSAK 72 in 2020	(8)
	The number of companies that become the observation sample	131
	Outlier data	(4)
	Number of companies that became the sample of observations (after outliers)	127

Source: Data processed by researchers (2021)

The research objects used in the research carried out are companies in the Retail, telecommunication, Real Estate and contractor sectors listed on the Indonesia Stock Exchange (IDX) using the index in the *IDX-Industrial Classification* in 2020. Based on information from the publication of the industrial classification of companies listed by the IDX as of January 19, 2021, there are 146 types of sub-sectors. The *purposive sampling technique* used by the researcher is to select the sample sector company is the object through which research is carried out, the data used for research is 67 companies. The source of the data comes from the annual financial statements in 2019 and 2020. The financial statement data used for research are the *current ratio, debt asset to ratio* and *net profit margin*. Through each of the variables used in the study, it was found that the results were interpreted at the *minimum*, *maximum*, *mean*, and *standard deviation* values for each variable.

Based on the data processing that has been done with the SPSS 26 software program, the descriptive analysis of *current assets* before and after the application of PSAK 72 is shown in the table. 1 following.

2. Descriptive Statistical Analysis

From this analysis, the goal is that the data on all the variables used in the study can be described and included in the research model. The infrastructure

Table 2. Results of Descriptive Statistical Analysis of Research Variables

Descriptive Statistics

	N	Min	Max	mean	Std. Deviation
Return on Assets	127	-.1255	.1207	.0043	.0478939
Application of PSAK 72	127	.0	1.0	.016	.1250
Valid N (listwise)	127				

3. Current Ratio

Based on descriptive statistical analysis, it can be seen that before the application of PSAK 72 the minimum *Return on Asset* value was -0.1255 and the maximum *Return on Asset* value was 0.1207. The minimum value is owned by Jasnita Telekomindo, Tbk. The minimum value is because the company Jasnita Telekomindo suffered a loss. In addition, the maximum value before the application of PSAK 72 is owned by Link Net, Tbk.

While the average value or the *mean* application of PSAK 72 is 0.016. This explains that there is an increase in the average net profit margin when the application of PSAK 72 during the COVID-19 period did not experience a significant increase in 2020. Meanwhile, before the application of PSAK 72, the standard deviation was 0.1250, which means that during the research period the size of the spread of *Return on Assets* was 0.047 after the application of PSAK 72.

4. Classic assumption test

a. Data Normality Test

The normality test is carried out with the aim of knowing whether or not a data distribution is used. Normal or abnormal data determines the hypothesis test used. By using the *Kolmogorov Smirnov test statistic*. The result of the Kolmogorov-Smirnov test is that the number of unstandardized residuals is 0.200 greater than the significance level (0.200 > 0.05) so that the data is normally distributed. The end of the Kolmogorov-Smirnov test is as follows:

Table 3. Normality Test Results

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		127
Normal Parameters [a,b]	mean	.0000000
	Std. Deviation	.04746183
Most Extreme Differences	Absolute	.069
	Positive	.068
	negative	-.069
Test Statistics		.069
asymp. Sig. (2-tailed)		.200 [c,d]
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		
d. This is a lower bound of the true significance.		

The results from normal probability plots normal probability plots are data that extends around the diagonal line and follows the diagonal line on the histogram graph not skewed to the right side

980

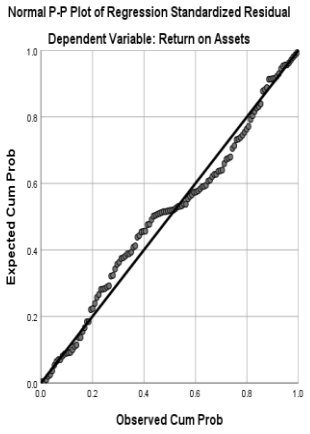

Figure 1. Obsserved Cum Prob

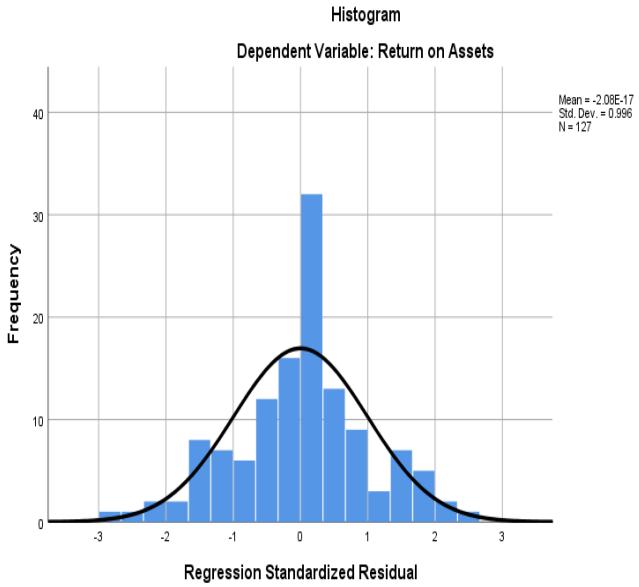

Figure 2. Regression Standardlzed Residual

b. Multicollinearity Test

The multicollinearity test in this study explains that the VIF value on the PSAK 72 variable and the firm size variable has the same number, which is 1,000 less than the level of 10 (1,000 < 10), so it meets the multicollinearity test. The tolerance value on the PSAK 72 variable and the company's performance variable has the same number, which is 1,000 greater than the level of 0.10 (1,000 > 0.10), so it meets the multicollinearity test. The following are the results of the multicollinearity test.

Table 4. Multicollinearity Test

Coefficients [a]			
		Collinearity Statistics	
Model		Tolerance	VIF
1	Application of PSAK 72	1.000	1.000
a. Dependent Variable: Return on Assets			

c. Heteroscedasticity test

The heteroscedasticity test carried out in this study had the *result* that the test was carried out with a gleiser so that there was no heteroscedasticity test. The following is the end of the heteroscedasticity test:

Table 5. Heteroscedasticity Test

Coefficients [a]						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	.035	.003		12.557	.000
	Application of PSAK 72	.030	.022	.119	1.339	.183
a. Dependent Variable: ABRESID						

5. Hypothesis Testing

a. Test the coefficient of determination

The coefficient of determination test in this study has an R-square result of 0.010 or 1%, where the size of the variation in financial performance is explained by the application of PSAK 72 accounting standards. While the remaining 99% is used by other variables in influencing. The following are the test results of the coefficient of determination, namely

Table 6. Test Results of The Coefficient of Determination

Model Summary [b]				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate

Model Summary [b]				
1	.134 [a]	.018	.010	.04765 13
a. Predictors: (Constant), Application of PSAK 72				
b. Dependent Variable: Return on Assets				

b. Partial Test (T Test)

There is a partial test (t test) which has the end of the study, namely the t count, which is 1.512 with a significance probability of 0.133. Then the t-count number is greater than the t-table number (1.1512 < 1.65694) and the significance number is greater (0.133 > 0.05). So the application of PSAK 72 has no effect on financial performance. The following are the results of the partial test (t test), namely:

T count < T table ; 1.512 < 1.65694
sig value > 0.05 ; 0.133 > 0.05

Table 7. The Partial Test (T Test)

Coefficients [a]						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	.003	.004		.821	.413
	Application of PSAK 72	.051	.034	.134	1.512	.133
a. Dependent Variable: Return on Assets						

Table 8. Multiple Liner Regression

Coefficients [a]						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	.003	.004		.821	.413
	Application of PSAK 72	.051	.034	.134	1.512	.133
a. Dependent Variable: Return on Assets						

According to the table above, the regression model is as follows:

$$Y = 0.003 + 0.051X$$

Discussion

This study was carried out to determine whether the difference in financial performance for the profitability ratio proxied by ROA in the application of PSAK 72. Tests have been carried out regarding the submission of the hypothesis of *Multiple Linear Regression*, the results obtained in the Asymp result . *Sig. (2-tailed)* of 0.133 with a significance of 0.05. This shows that the significance of *Return On Assets* is greater than 0.05, thus it can be concluded that H_0 is accepted . This shows that the ROA of companies in the retail, telecommunications, real estate and contractor sectors after implementing PSAK 72 shows that there is no significant effect in its implementation during the Covid 19 pandemic.

Based on the research of (Van Oel, Mulatu, Odongo, Willy, & Van der Veen, 2019) it shows that companies that implement PSAK 2018 early have a smaller financial performance than in 2019. Thus, early implementation of PSAK 72 has a positive effect, but it is inversely proportional to what happened in 2020. The COVID-19 pandemic that occurred in early 2020, along with the implementation of PSAK 72, proved that the application of PSAK 72 would not affect the company's performance in terms of profitability ratios. This can be seen from descriptive statistical data which shows that the application of PSAK 72 has decreased people's purchasing power. The decline in *Return on Assets* was proven by the JAST company. The decrease occurred because the company's net profit experienced a very high decline, where the profit value before the application of PSAK 72 was Rp. 3,995,672,744, resulting in a significant loss of -13,313,27,602. The decline in the

company's net profit was also followed by a decrease in revenue from sales.

The decline in the profitability ratio may occur because the application of PSAK 72 provides a difference in the state of income so that the company recognizes it when the obligation at the time of asset transfer has been fulfilled. On the recognition of income for the changes through these accounting standards, the income recognized after the application of PSAK 72 has decreased so that the *net profit* of the company has decreased. Thus, the probability ratio with the *Return on assets* proxy has a significant difference between companies before and after implementing PSAK 72.

CONCLUSIONS

This study aims to empirically examine the differences in financial performance before and after the application of PSAK 72 on Contract revenue with customers at infrastructure companies listed on the Indonesia Stock Exchange in 2019-2020. This study uses 67 samples from 71 research populations of infrastructure companies that have implemented PSAK 72 in 2020 and have not implemented PSAK 72 in 2019. Based on the hypothesis testing proposed in this study, it shows that:

There is no effect on the application of PSAK 72 in the assessment of the company's financial performance during the covid 19 period. It is considered, the decrease in the company's operational activities has no effect on the application of PSAK 72

REFERENCES

Abdillah, M. Riduan. (2020). Pengaruh Risiko Perusahaan, Kualitas Audit Dan Komite Audit Terhadap Tax Avoidance Pada Perusahaan Manufaktur Yang Terdaftar Di BURSA EFEK INDONESIA TAHUN 2015-2018. *Dinamika Ekonomi-Jurnal Ekonomi Dan Bisnis*, *3*(2), 82–98.

Al-Gahtani, Said S. (2011). Modeling the electronic transactions acceptance using an extended technology acceptance model. *Applied Computing and Informatics*, *9*(1), 47–77. https://doi.org/10.1016/j.aci.2009.04.001

Al-Nimer, Munther. (2015). Perceptions of environmental accounting in the Jordanian pharmaceutical industries (applications and disclosure). *International Journal of Business and Management*, *3*(2), 73.: http://dx.doi.org/10.5539/ijbm.v10n2p73

Al-Shatnawi, Hasan. (2017). The Possibility of the Jordanian Industrial Corporations to Apply the IFRS No. 15. *Asian Journal of Finance & Accounting*, *9*(1), 375. https://doi.org/10.5296/ajfa.v9i1.11212

Motta, Victor, & Sharma, Amit. (2016). Benefits and transaction costs of purchasing local foods in school districts. *International Journal of Hospitality Management*, *5*(5), 81–87. ttps://doi.org/10.1016/j.ijhm.2016.02.011

Murali, S., Pugazhendhi, S., & Muralidharan, C. (2016). Modelling and investigating the relationship of after sales service quality with customer satisfaction, retention and loyalty–a case study of home appliances business. *Journal of*

Retailing and Consumer Services, *3*(2), 67–83. https://doi.org/https://doi.org/10.1016/j.jretconser.2016.01.001

Rahayu, Duwi Rahayu, Rahmawati, Imelda Dian, & Rini, Dina Dwi Oktavia. (2021). The Impact Of Psak 72 Implementation On Financial Performance In The Pandemic Time Covid-19 (Empirical Study On Real Estate Companies Registered In Indonesia Stock Exchange). *Sentralisasi*, *10*(1), 12–22. https://doi.org/10.33506/sl.v10i1.1157

Shakhatreh, Mohammad Ziad, Alsmadi, Safaa Adnan, & Alkhataybeh, Ahmad. (2020). The effect of audit fees on disclosure quality in Jordan. *Cogent Business & Management*, *7*(1), 177–200. ps://doi.org/10.1080/23311975.2020.1771076

Van Oel, P. R., Mulatu, D. W., Odongo, V. O., Willy, D. K., & Van der Veen, A. (2019). Using data on social influence and collective action for parameterizing a geographically-explicit agent-based model for the diffusion of soil conservation efforts. *Environmental Modeling & Assessment*, *2*(1), 1–19.

Wisnantiasri, Sila Ninin. (2018). Pengaruh PSAK 72: Pendapatan dari Kontrak dengan Pelanggan terhadap Shareholder Value. *Widyakala: Journal Of Pembangunan Jaya University*, *5*(2), 60–65. https://doi.org/https://doi.org/10.36262/widyakala.v5i1.77

Wuttke, David A., Blome, Constantin, & Henke, Michael. (2013). Focusing the financial flow of supply chains: An empirical investigation of financial supply chain management. *International Journal of Production Economics*, *5*(2), 773–789. https://doi.org/10.1016/j.ijpe.2013.05.031