ANALYSIS OF FACTORS INFLUENCING COMPLIANCE IN MANDATORY DISCLOSURE OF ANNUAL REPORT 2014 FOR PUBLIC LISTED MINING COMPANY

By:

Edi Kristanta

008201200016

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PANEL OF EXAMINERS
APPROVAL SHEET

The Panel of Examiners declare that the thesis entitled "Analysis of Factors Influencing Compliance in Mandatory Disclosure of Annual Report 2014 for Public Listed Mining Company" that was submitted by Edi Kristanta majoring in Accounting from the Faculty of Economic and Bussiness was assessed and approved to have passed the Oral Examinations on 2nd December 2015.

Chairman Panel of Examiner

(Drs. Gatot Imam Nugroho, Ak, MBA)

Examiner I

(Misbahul Munir, MBA, Ak, CPMA)

Examiner II

(DR. Sumarno Zain, SE, MBA, Ak)

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I declare that this thesis, entitled "**Analysis of Factors Influence Compliance In Mandatory Disclosure of Annual Report 2014 for Public Listed Mining Company**" is, to the best of my knowledge and belief, an original piece of work that has not been submitted, either in whole or in part, to another university to obtain a degree.

Cikarang, Indonesia, 29rd October 2015

Edi Kristanta

ABSTRACT

This research is purposed to analyze the level of compliance in mandatory disclosure of annual report and examine empirical effect of liquidity, outstanding shares ratio, and company's size toward the compliance. This research is also purposed to contribute academic development in disclosure of financial statement. Mining industries is a high volume of trading in stock exchange which means many parties involved in source of financing in mining companies. Therefore, compliance in disclosure is very essential for report users in order to assess a capability of mining companies in giving return of investment to investors.

This quantitative research is conducted through detailed analysis of items of mandatory disclosure in annual report 2014 of mining companies listed in Indonesia Stock Exchange and relate those items to factors influence mandatory disclosure. In addition, multiple regression analysis is method used in examining the significance of influence between liquidity, outstanding shares, and company size toward mandatory disclosure in annual report of 2014. Furthermore, this research is limited by serial time research of annual report and only choose mining companies as object of research. This research is also limited by perspective of report preparers which should be conducted through interview.

The result of the multiple regression analysis show that company size, represented by total assets were found to be associated at a significant level with mandatory disclosure. This research also found noncompliance of management of some mining companies in preparation of annual report.

Keywords: Mandatory disclosure, liquidity, mining companies, annual report, company size, outstanding shares

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CHAPTER I

INTRODUCTION

1.1. Background of the Study

Financial statement and annual report are source of information purposed to intended parties whether external or internal to be used in decision-making process. Prospective investor and creditor commonly rely on the information of financial report in giving loan or invest their money in the company. The level of usefulness of financial report depends on information presented and disclosed in the financial statement. If the information presented is not adequate, the users would be misleading and make a wrong decision. Therefore, information disclosed in annual report is very important in presentation process of financial statement and some research has to be conducted over the compliance.

Mining industry is an industry that required much investment as financial capital for operating especially in exploration and extraction of natural resources. The investment could be shares, loan, or even joint venture. Therefore, many parties would be involved in the operation activities of mining industry. It is a reason why mining companies shall disclose more information for interested users.

In order to fulfill accountability and transparency in good corporate governance, financial statement is used as a medium. It is source of information in communicating performance of management. Thus, disclosure of financial

statement becomes significant factor. The disclosure of financial statement may be formed in explanation about accounting policy, estimation, or recording in historical cost.

Financial statement is outcome of accounting process which is used as communication device between financial record or organization's business activity and interested parties. Basically, financial statement is consisted of statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flow, and notes to financial to financial statement (IAS 1). However, additional component is necessary to enhance and enrich quality of financial statement in supporting analysis process such as cost of goods sold report, intercompany transactions, and retrospective effect of accounting policies changes.

Different accounting policies adopted would result different accounting method which is indirectly giving different outcome of amount. Allowing entities to select their own accounting methods within the boundaries of applicable accounting standard is deemed desirable by some. Accounting regulators have tried to establish accounting standards in order to regulate reporting of annual report. Yet, guideline is more precise word rather than standard due to conceptual framework is currently being developed by International Accounting Standard Board (IASB) through its' project.

Consistency of accounting policies and practices from one period to another and the comparability of financial information from one entity to another in a similar business or sector have been concerned by external parties. Consequently, quality

of information is required to be fulfilled by standard setter through conceptual framework. This conceptual framework provides qualitative characteristics of financial statements that make information provided be useful to users.

Since the early 1980s, standard setters (IASC) and professional accounting bodies have started research and development of a conceptual framework to guide the preparation and presentation if general purpose financial reports in the public and private sectors in four countries i.e. USA, Canada, UK, and Australia, while the framework itself are issued in 1989. Political intervention causes debate over the project. Standard setters faced difficulties when attempting to address fundamental issues.

In October 2004, the FASB and IASB added a joint project to their agendas to develop an improved, common conceptual framework (Accounting Theory 7th edition, Godfrey). Subsequent project has been done and finalization of conceptual framework is made in late of 2010. IASB issued Exposure Draft for a revised conceptual framework in June 2015 which indicates that there would be some amend on IAS 1 in presentation of financial reporting. However, the certain issues related to items reported in other comprehensive income still unsolved yet by the exposure draft.

Financial statement disclosures are categorized into two categories, mandatory disclosure and voluntary disclosure (Omaima Hasan and Claire Marston, 2010). Mandatory disclosure is defined as obligatory disclosure regulated by government. In this case, the government gives letter of authority to BAPEPAM-LK (Badan Pengawas Pasar Modal dan Laporan Keuangan) and IAI (Ikatan

Akuntan Indonesia) as regulator about items required to be disclosed in financial statement. Voluntary disclosure is items which not required to be disclosed by regulation. Compliance in mandatory disclosure is very essential for users of annual report in order to make decision based on information gathered from annual report. Especially, in current economic condition which regression of Indonesian Rupiahs. Mandatory disclosures are regulated by BAPEPAM (Capital Market Regulatory Body) which is changed to OJK (Authorized Financial Services). All companies operated in Indonesia have to comply to prevailed regulation especially in financial reporting.

The management communicate their performance through disclosed information in annual report. Then, their performance would be assessed by users of report by using some measurement tools (i.e. financial statement analysis tools). Financial analysis is the process of examining a company's performance in the context of its industry and economic environment in order to arrive at a decision or recommendation (CFA Institute, 2012).

1.2. Industry Profile

Mining is the extraction of valuable minerals or other geological materials from the earth. Mining sites can be renewable or non-renewable resource such as petroleum and natural gas. As the strengthen of foreign currency i.e. USD (US Dollars) towards IDR (Indonesian Rupiahs), growth of index of mining sector is

declining from the end of 2014 until early of June 2015. Therefore, more attention is necessary for the stakeholders in making economic decision in this industry.

1.3. Problems Identification

In this research, identification problem will be stressed on factors influence compliance in mandatory disclosures of mining companies' annual report. Then, the problem is narrow down in questionable sentences below:

a. Is there any significant influence of liquidity toward compliance in mandatory disclosures?

b. Is there any significant influence of outstanding shares toward compliance in mandatory disclosures?

c. Is there any significant influence of company's sizes toward compliance in mandatory disclosures?

d. Is there any simoultaneous significant influence of liquidity, outstanding shares, and company's size toward compliance in mandatory disclosure?

Enough information is very essential requirement for financial statement users because systematic risk of investment (Gentile, Linciano, Lucarelli, Soccorso, May 2015). Therefore, factors influence mandatory disclosures in annual report of mining companies must be researched to fulfill objectives explained in sub-chapter 1.5.

1.4. Statement of The Problem

Based on problems identified in previous section, the researcher tries to find out "**whether there is significant influence of liquidity, outstanding shares, and company's size toward compliance in mandatory disclosure of annual report of mining companies listed in Indonesian Stock Exchange through analyzing their annual report in 2014**"

1.5. Research Objectives

This research is purposed to analyze the level of compliance in mandatory disclosure of annual report and examine empirical effect of liquidity, outstanding shares ratio, and company's size toward the compliance. This research is also purposed to contribute academic development in disclosure of financial statement. Therefore, practical and academic aspects can be developed through this research especially compliance of mining companies' management in reporting their performance in running the business.

1.6. Significance of the Study

Usefulness of this research is supposed to be:

- As contribution to academic area

- Enrich knowledge of researcher regarding mandatory disclosure guidelines of annual report for practitioner in accounting and auditing fieldwork.
- To find out the level of compliance of mining companies listed in Indonesian Stock Exchange in preparation and disclosures mandatory information for annual report users.

1.7. Theoritical Framework

This academic research is purposed to investigate factors influence compliance of mandatory disclosure of mining companies' annual report. Those factors are: liquidity, outstanding shares ratio, and size of the company. Hypothesis framework in this research can be figured as below:

Figure 1. Empirical Model

1.8. Scope and Limitation

The scope of this research is doing experiment of the factors influence compliance of mandatory disclosure in annual report 2014 of mining company listed in Indonesia Stock Exchange (IDX). Therefore, secondary data is sufficient for

material of research (except for disclosure indexing). Furthermore, the researcher uses multiple regression analysis for hypothesis testing which is explained in chapter III.

The limitation occured in this research is subjective assessment of disclosure in annual report. Instead of using third parties or expert assessment, the researcher uses his own assessment in finding quantitative data of disclosure index. This research also uses non-probabilistic method for sampling selection which causes less generalizability conclusion to the population. In addition, this research lack of report preparer perspective which should be gathered through interview.

1.9. Assumption and Hypothesis

Hypotheses can be defined as a tentative, yet testable, statement, which predicts what researcher expects to find in empirical data (Sekaran and Bougie, 2013). Hypotheses is conlcuded from literature review such as theoritical and prior researches by narrowing down those literatures.

a.   Liquidity influences compliance in mandatory disclosures

Liquidity means the ability of companies to meet its short-term obligations when they become due. In agency theory, lender (as principal) would demand compliance in disclosure to monitor the performance of management (as agent) if there is greater risk of lending. This argument is also supported by signalling theory which argues that managers would be more comply in disclosure as

positive signal to investors. Whereas, Wallace et al. (1994) found negative relationship between liquidity ratio and mandatory disclosure. Wallace and Naser (1995) found there is no relationship between liuqidity and mandatory disclosure. Based on signalling theory, the following hypothesis can be developed:

H_1 : There is significant influence of liquidity toward mandatory disclosure of annual report of mining companies.

b.   Outstanding shares influences compliance in mandatory disclosures

In agency theory, there is a problem occured between interest of principals as shareholders and agents as managers of the company. Agents guarantee that they will behave in the interests of the principal through disclosure which give information regarding management's performance. As consequences, the greater financial raised through equity, the more likely principals require agent to disclosure more than the lower one. Therefore, using explaination of agency theory above hypothesis below can be developed:

H_2 : There is significant influence of outstanding shares toward mandatory disclosure of annual report of mining companies.

c.   Company's size influences compliance in mandatory disclosures

According to agency theory, larger coporations would require more professional management in order to ensure that management performs in the interest of principal. As consequences, the management has to be more comply in mandatory

disclosure which give information to principal that the management performs as expected. Wallace and Naser (1995) found that there is significant and positive relationship between the company's size and disclosure level as it is shown in sub-chapter 2.5 (refers to prior researches). The rational explanations include the fact that larger companies have more expertise and financial resources to disseminate financial information rather than smaller companies. Therefore, it can be taken following hypothesis:

H_3 : There is significant influence of company's size toward mandatory disclosure of annual report of mining companies.

CHAPTER II

LITERATURE REVIEW

2.1. The Natures of Disclosures

Gibbins, Richardson and Waterhouse (1990, p. 122) defined financial disclosure as purposive giving information whether quantitative or qualitative information, mandatory or voluntary, or via formal or informal channels. Financial statement and annual report are considered as essential organization's information whether published or not as a source of data in making decision for users. Therefore, high quality of report is necessary to enhance the reliability of financial statement. Both IASB and FASB identify quality of financial statement if:

    a. Useful in making economic decisions

    b. Useful in assessing cash flow projects

    c. About enterprise resources, claims to those resources and changes in them

Investor does financial analysis in order to obtain recommendation or conclusion regarding investment decision (CFA Institute, p. 5). This investment must be economically feasible. Economic in simply meaning is benefit inflow exceeds all sacrificed resources to obtain investment. The technical analysis needs reliable and relevant financial and/or non-financial information to reach an accurate conclusion regarding the investment project.

The level of quality of financial information is very subjective and depends on completeness of the information given. The exact definition of quality is difficult to be found and measured in financial accounting (Omaima Hasan and Claire Marston, 2010). According to Hasan and Marston, assessment of reliability and validity of financial statement should be provided in measurement of quality of financial statement. Whereas, quality of disclosure is depend on the quality of auditor (Philip D. Palmer, 2008). According to Palmer, a bigger audit firm will give produce more quality disclosure.

Disclosure is categorized into two categories, mandatory disclosure and voluntary disclosure (Omaima Hasan and Claire Marston, 2010). Mandatory disclosure could be defined as obligatory disclosure regulated by government. In this case, the government gives letter of authority to BAPEPAM-LK (Badan Pengawas Pasar Modal dan Laporan Keuangan) and IAI (Ikatan Akuntan Indonesia) as regulator about items required to be disclosed in financial statement. Voluntary disclosure is not required disclosure of items by regulation.

Based on BAPEPAM regulation of SK No. KEP-431/BL/2012, an annual report must disclose following main items:

a. Significant Financial Information Summary

b. Board of Commissioner Report

c. Board of Director Report

d. Company's profile

e. Management analysis and discussion

f. Corporate Governance

g. Corporate's Social Responsibility

h. Audited Financial Statement

i. Management representation letter containing Board of Director and Commissioner responsibility over truthfulness of financial statement

Whereas, example of voluntary disclosure is management earnings forecast and analysis of the financial statement. It is recommended to be disclosed rather than required by regulation.

2.2. Agency Theory

Agency theory is a concept that explains contractual relationship between agent and principal. According to Jensen and Meckling (Godfrey, 2010), agency relatioship occured when the agent works for the principal which principal provide facilities and delegates some decision-making authority to the agent. In the scope of corporation, shareholders are principal and management is the agent. The essence of agency theory is different interest among principal and agent.

Agent is required to present periodical report to the principal regarding the performance of management. Principal will assess performance of agent through presented financial statement. Therefore, financial statement is accountability medium of management to shareholders.

Agency theory assumes that individuals behave to maximise self interest, so asymmetry information would be incentive for the agent to behave as agent's

interest and hide some unknown information from principal. In that asymmetry condition, agent is able to manage information provided in annual report and financial statement. Because of the relationship between agent and principal, unequal knowledge of information or asymmetri information could be occured. This is caused by more information known by agent than principal regarding the company's condition.

Agency problem between shareholders and management is occured due to there is no shares owned by management. Therefore, all decisions made by management would not have any impact to management whether it is profitable or non-profitable decision to shareholders. Certainly, shareholder requires managers to perform in behalf of the shareholders. In fact, managers usually act in order to maximise management's welfare through providing excessive facilities, investing retained earnings in non-profitable investment, and sales of company's asset in low price.

Conflict interest between agent and principal becomes greater when the ownership of management is lower. In this case, management tries to maximise their interest than organization's interest. On the contrary, principal expects management to making decision which is able to maximize the firm value. This condition causes agency problem which deliver agency cost to overcome that problem.

Jensen and Meckling classify the agency cost into three cost categories (i.e. monitoring cost, contracting cost, and residual loss. According to agency theory, low monitoring and contracting cost company would tend to report lower profit than the high monitoring and contracting cost company. In the other word, the

company would charge some cost for interest of management. As the more investors involve and purchase the shares, as the more interest of investor have to be protected.

Disclosure is a medium to overcome agency problem. Through mandatory disclosure in financial report, management is able to present a clear description about condition of the company for shareholders, so divergence of shareholders interest could be anticipated. Regulators can enforce disclosure when investors are powerless in order to reduce agency cost (Beyer et al., 2010). Besides, more compliance in mandatory disclosure could be indication credibility of company and help the report users in understanding strategy and other information about the company. To decrease asymmetry information, company's good corporate governance have to be monitored and controlled to ensure compliance of management performance toward prevailed rules and regulations.

2.3. Signalling Theory

Asymmetry information is incurred in the agency problem because the management has more knowledge of company's condition than investor's (Godfrey, 2012). Therefore, monitoring cost is necessary in order to ensure agent behave accordance to interest of principal. Therefore, agency cost would be more likely to be occured in that case.

In order to reduce agency cost, mandatory disclosure is enforced to management when the investor is powerless to disclose more comprehensive information about

the company's condition (Popova et al., 2013). Compliance in mandatory disclosure can be a positive signal to investory to indicate company's credibility in order to reduce risk or uncertainty in investment decision.

Related to corporation's performance, signalling theory stated that good performance corporation would tend to give positive signal to report users as competitive advantage. Related to firm value, signalling theory stated that management would tend to comply in mandatory disclosure in order to reduce inaccuracy in valuation of its' company. This is usually occured when the company is undervalued in the market.

This theory is supported by some research such Ali et al. (2012). In that research, it is found that profitability has significant positive relationship toward mandatory disclosure in Pakistan, Indian, and Bangladesh companies. Whereas, Wallace and Nasser (1995) found negative relationship between profit margin and mandatory disclosure level in Hong Kong company.

Signalling theory explains how the company gives signal regarding the company's successful or failure to report users. Signal given is financial and/or non-financial information regarding the management's performance in realizing principal's interest (shareholders) through compliance in mandatory disclosure. Management would tend to give positive signal when the company has good performance, while contra condition would be happened when the company has bad performance.

2.4. Factors Influence Disclosures

Investors, lenders, and other creditor face uncertainty in buying, selling or holding equity and debt instruments, and providing or settling loans and other forms of borrowing. The uncertainty refers to risk in classical theory of finance. Those external parties concern on risk and return in making investment decision (Financial Disclosure, Risk Perception, and Investment Choices, p.12, 2015). Many investors assess and measured investment option. High risk investment would decrease demand on that investment. However, "high risk-high return" is existed in investment. High risk investment would give high return in form of dividend or interest to those external parties.

According to political cost theory, managers of profitable companies are motivated to disclose more information to justify their higher profits (Inchausti, 1997). Based on the signaling theory, it can be assumed that profitable companies want to distinguish themselves from less profitable companies through more disclosure (Inchausti, 1997). Stakeholder theory also supports the idea as profitability is considered to be one of the main information needs of many stakeholders, other than shareholders.

According to the classical theory of finance, risk can objectively be measured (M. Gentile, N. Linciano, C. Lucarelli, P. Soccorso, May 2015). The measurement depends on assumptions and judgment. For example, one of feasibility method i.e. net present value of capability in generating cash of an entity using year and interest rate. It is likely easy to do calculation of the present value. Yet, interest rate and number of years are determined through assumption. There is no specific

guideline for those assumptions. Interest rate could be WACC (Weighted Average Cost of Capital) or inflation rate. Different numerical input would result in different outcome.

Signal theory propose about how entities should give signal to users of financial statement and annual report. This signal is formulized through information about decision and activities made by management to achieve owner's requirement. Signal can be formed promotion or other information which determine that company is better than its' competitors. More complete disclosures in annual report is positive signal to users in order to improve its' credibility and company's achievement especially for good news. The disclosure is also expected to be guidelines for users in making critical decision especially for existing and prospective shareholders. Yet, in fact, the management is also restrict their disclosure about strategical decision due to industry competition.

a.   Liquidity

Liquidity ratio measures a company's ability to meet its short-term obligation (CFA Institute, 2012, p. 358). Liquidity analyzes and interpretates short-term financial position. This analytical technique is also help report users to measure efficiency of working capital and prospective return of investment (i.e. dividend for shareholders and interest for creditors).

As greater the liquidity level, the greater capability of company in meeting its' short-term obligation. A liquid company is a powerful company in meeting its short-term obligation. This kind of company would tend to more comply in

mandatory disclosure even voluntary disclosure to show the company's credibility.

This research uses current ratio as measurement of liquidity. This ratio divides current assets to current liabilities. Current ratio also shows margin of safety for short-term creditor or capability of company in meeting its' short-term obligation.

b.   Outstanding shares

Asymmetry information between agent and principal required truthfulness of annual report and financial statement. This is caused by principal required more detail information regarding management performance. Outstanding shares means the number of issued shares that are being held by shareholders (Weygandt, 2013). As greater outstanding shares, the greater dividend that would be paid to shareholders as return of investment. Therefore, management would be more comply in mandatory disclosure to give more useful financial and non-financial information for report users.

This factor is measured through dividing outstanding shares to authorized shares. Greater ratio means greater portion of shares have been issued and held by shareholders. Therefore, the greater dividend that would be paid to shareholders in fulfilling required return by investors.

c.   Company Size

Larger corporations have more expertise and financial resources to disseminate financial information as compared to smaller corporations (Mensah, 2013). In the other hand, larger corporations require more funding than smaller corporations.

Larger corporations have a need to raise capital at the lowest cost and corporations will increase their voluntary and compliance with mandatory disclosures as stated in regulation in order to achieve that lowest cost of capital.

2.5. Prior Researches

A number of prior studies have reviewed the literature focusing on individual measures of disclosure such as the disclosure index and content analysis techniques (e.g., Marston and Shrives, 1991; 1996; Jones and Shoemaker, 1994). Marston and Shrives research in 1991 focused on the measurement of disclosure via the disclosure index only. Then, extent of studies is made in 1996 by taking larger number of studies. Jones and Shoemaker (1994) reviewed 68 empirical studies that used content analysis technique to investigate accounting, finance and taxation narratives.

Another study investigation is made by Phillip D. Palmer in 2008. Palmer used profitability and leverage of a company as non-categorical independent variables to measure quality of disclosure. The result of Palmer's research by measuring profitability and leverage is supporting his hypothesis which those variables have significant impact toward quality of disclosure of a company's financial statement.

Gentile, Linciano, Lucarelli, and Soccorso (2015) do experimental studies over risk perception and financial disclosure. They use four approaches in disclosure of risk. One of them is synthetic risk indicator, by aggregating information on

market, liquidity, and credit risk. The liquidity risk is measured through turnover ratio. Their result is risk perception positively affected by perceived complexity of the information disclosure.

Profitability and outstanding shares of a company have positive impact towards the level of disclosure of financial statement (Andi Kartika, 2009). Whereas according to Andi, the other independent variable such as leverage, liquidity, and the age of the company do not have significant influence. It is contradict with arguments of Inchausti (1997) and Wallace et al., (1994) in Palmer's research in 2008. According to Wallace and Inchausti, higher level of leverage has greater requirement to satisfy the informational needs for long-term creditors.

The following table is list of prior researches:

Study	Country	Examined Variables	Significance of Variables
Wallace et al. (1994)	Spain	Structure–related variables:	
		1. Size	+
		2. Gearing Ratio	None
		Performance-related variables	
		3. Earnings return	None
		4. Profit Margin	None
		5. Liquidity Ratio	-
		Market-related variables	

		6. Industry Type	None
		7. Listing Status	+
		8. Auditor Type	None
Ahmed and Nichols (1994)	Bangladesh	1. Company Size	None
		2. Total Debt	None
		3. Multinational Company Influence	+
		4. Professional qualifications of the principal accounting officer	None
		5. Audit firm size	+
Wallace and Naser (1995)	Hong Kong	Listing on foreign exchange	None
		Structure-related variables:	
		1. Leverage	None
		2. Size	+
		3. Proportion of shares held by outsiders	None
		Performance-related variables:	
		4. Profit margin	-
		5. Earnings return	None
		6. Liquidity Ratio	None
		Market-related variables:	
		7. Market capitalization	None
		8. Scope of business operations	+

		9. Auditor Type	-
Owusu-Ansah (1998)	Zimbabwe	1. Company size	+
		2. Quality of external audit	None
		3. Ownership structure	+
		4. Industry type	None
		5. Company age	+
		6. Multinational corporation affiliation	+
		7. Profitability	+
		8. Liquidity	None
Street and Gray (2002)	32 countries	1. Listing status	+
		2. Company size	None
		3. Profitability	None
		4. Industry Type	None
		5. Auditor type	+
		6. Country of domicile	+
		7. Multinationality	None
		8. Size of of home stock market	None
		9. The way in which a company refers to using IAS	+
		10. Type of accounting standards use	None
		11. Type of auditing standards use	None

Ali et al. (2004)	Pakistan, India, and Bangladesh	1. Company size	+
		2. Leverage	None
		3. Multinational company influence	+
		4. Auditor Size	None
		5. Profitability	+
Akhtaruddin (2005)	Bangladesh	1. Company size	None
		2. Company age	None
		3. Industry type	None
		4. Profitability	None
Aljifri (2008)	UAE	1. Industry type	+
		2. Company size	None
		3. Debt equity ratio	None
		4. Profitability	None

Table 1. Prior Research

CHAPTER III

RESEARCH METHODOLOGY

3.1. Research Method

This research is quantitative research which experimenting causal-effect of independent variables toward dependent variables. Causal studies is a study to test whether or one variable causes another to change (Sekaran and Bougie, 2013). Furthermore, the researcher is interested in delineating one or ore factors that are causing the problem. The essential area of quantitative research is measurement of variables used in order to generate numerical data and use those data in statistical process in order to prove or disprove significant relationship of causal-effect among variables.

3.2. Research Instrument

Appropriate tools in collecting and processing data is necessary to generating data and transform them into numerical in order to be usable in statistical process. Researcher accesses Indonesian Stock Exchange (IDX) official website to download and obtain annual report of mining companies as sampling. Then, this secondary data is processed by using variables' measurement to present numerical data and processed in statistical to give results. Research instument used in this

research is documentation to obtain annual report of mining companies in 2014. Then, researcher also conducts literature review by reading, quoting, and analyzing appropriate sources such as research article, international journal, and accounting and relevant textbook in order to give relevant data to this research. In order to numerize dependent variable, researcher generates primary data which analyzing annual reports and filling dummy variable based on mandated disclosure items.

3.3. Sampling Design

Sampling is the process of selecting the right individuals, objects, or events as representatives for the entire population (Sekaran and Bougie, 2013). The population of this research refers to annual report 2014 of mining companies which are listed in Indonesian Stock Exchange (IDX). Selection of sample in this research is selected through non-probabilistic method i.e. purposive sampling which determines criterias as basis of selection. The reason of researcher use purposive sampling is some unavailable data used for statistical process such as sample element does not submit annual report in the year of 2014. Therefore, statistical sampling method is less likely appropriate to be used in certain condition that currently occurred. Samples are selected based on criterias below:

a. Operating as mining company and listed in Indonesian Stock Exchange

b. Publishing its annual report and audited financial statement for the period of 2014.

Therefore, the number of samples gathered is 32 (thirty two) annual report of mining companies. Following table is list of annual report 2014 of mining companies which fulfill criterias to be selected as sample:

No	Name of Entity	Code
1	Adaro Energy Tbk	ADRO
2	Aneka Tambang (Persero) Tbk	ANTM
3	Apexindo Pratama Duta Tbk	APEX
4	Atlas Resources Tbk	ARII
5	Ratu Prabu Energi Tbk	ARTI
6	ATPK Resources Tbk	ATPK
7	Bumi Resources Tbk	BUMI
8	Bayan Resources Tbk	BYAN
9	Cita Mineral Investindo Tbk	CITA
10	Exploitasi Energi Indonesia Tbk	CNKO
11	Citatah Tbk	CTTH
12	Darma Henwa Tbk	DEWA
13	Central Omega Resources Tbk	DKFT
14	Delta Dunia Makmur Tbk	DOID
15	Elnusa Tbk	ELSA
16	Surya Esa Perkasa Tbk	ESSA
17	Golden Energy Mines Tbk	GEMS
18	Garda Tujuh Buana Tbk	GTBO
19	Harum Energy Tbk	HRUM

20	Resource Alam Indonesia Tbk	KKGI
21	Mitrabara Adiperdana Tbk	MBAP
22	Mitra Investindo Tbk	MITI
23	Perdana Karya Perkasa	PKPK
24	J Resources Asia Pasifik Tbk	PSAB
25	Tambang Batubara Bukit Asam (Persero) Tbk	PTBA
26	Petrosea Tbk	PTRO
27	Radiant Utama Interinsco Tbk	RUIS
28	Golden Eagle Energy Tbk	SMMT
29	SMR Utama Tbk	SMRU
30	Sugih Energy Tbk	SUGI
31	Timah (Persero) Tbk	TINS
32	Agis Tbk	TMPI

Source: Processing Data of Researcher

Table 2. List of Sample of Mining Companies

3.4. Operational Definition of Variables Research

Variables used in this research are one dependent variable and three independent variables. Following discussion is brief explanation of dependent variable (compliance in mandatory disclosure) and independent variable (liquidity, outstanding shares, and company size).

a. Dependent Variable

This variable is used to determine the disclosure index for annual report 2014 of mining companies listed in Indonesia Stock Exchange. The disclosure index has been used in some prior research such as Buzby (1975), Wallace *et al.* (1994); Inchausti (1997), Depoers (2000), Lang et al. (2003). In this variable, regulation of BAPEPAM-LK Nomor: KEP-431/BL/2012 is used as the basis of presentation and disclosures.

Disclosure index is determined through dividing the items that have been disclosed in annual report to items that should be disclosed according to regulation (refer to BAPEPAM-LK Nomor: KEP -431/BL/2012). Therefore, the formula for disclosure index can be described below:

$$Disclosure\ Index = \frac{Total\ Items\ disclosed}{Total\ Items\ should\ be\ disclosed}$$

b. Independent Variable

-   Liquidity measures a company's ability to meet its short-term obligation (CFA Institute, 2012, p. 358). Liquidity can be determined by using current ratio, the acid-test ratio, account receivable turnover, and inventory turnover. This research uses current ratio by dividing current assets to current liabilities (Bringham and Houston, 2001).

$$Current\ Ratio = \frac{Current\ Assets}{Current\ Liabilities}$$

- Outstanding Shares means portion of issued and outstanding shares in public (Weygandt, 2013). It is measured through comparing outstanding shares to authorized shares (Wallace and Naser, 1995).

$$Shares\ Ratio = \frac{Outstanding\ Shares}{Authorized\ Shares}$$

- According to agency theory, larger coporations would require more professional management in order to ensure that management performs in the interest of principal. Company's size variable is measured through company's natural logaritm of total assets (Galani, Alexandridis, and Stravropoulos, 2011). Bigger company would tend to disclose more information in its' annual report. Therefore, size of company can be measured by using following formula:

$$Size = \ln TotalAssets$$

3.5. Data Analysis

a. Determinant coefficient

The essence of determinant coefficient (R^2) is measuring capability of variance in explaining the dependent variable. The value of determinant coefficient is in the range between 0 (zero) and 1 (one). Insignificant value of R^2 means restricted capability of independent variables in explaining dependent variables. The greater value of R^2 means that independent variables capable to presents necessary

information to predict dependent variable (Sekaran and Bougie, 2013). This method is not too essential in this research due to the research objectives is to examine causal-effect among variables.

b.   Multiple Regression Analysis

This method is used to explain the influence of more than one independent variable toward dependent variable. Multiple regression analysis in this research is used to test influence of independent variable. The choice of the appropriate statistical technique largely depends on the number of (independent and dependent) variables the researcher is exaining and the scale of measurement (metric or nonmetric) of variables (Sekaran and Bougie, 2013). This research has 5 (five) independent variables and 1 (one) dependent variables which it means that this research has to use multivariate statistical technique. In addition, this research uses ratio scale as measurement of variables. Therefore, the most appropriate statistical technique to be used is multiple regression analysis. Formulization of regression model can be developed and described below:

$$DISC = \beta_0 + \beta_{LIQ}X_{LIQ} + \beta_{SHAR}X_{SHAR} + \beta_{SIZE}X_{SIZE} + \varepsilon$$

Where:

$DISC$ = Disclosure Index of Annual Report

β_0 = Intercept

$\beta_{LIQ,}\,\beta_{SHAR},\beta_{SIZE}$ = Regression Coefficient

X_{LIQ} = Liquidity

X_{SHAR} = Outstanding shares

X_{SIZE} = Company's size

ε = Error

3.6. Hypothesis Testing

a. Significance of Individual Parameter Test (t-test)

Basically, t-test is used to test the level of influence of independent variable partially or individually toward variance of dependent variable (Sekaran and Bougie, 2013). Hypotheses tested in this method refers to hypotheses as stated in in subchapter 1.9. This testing is conducted by applying level of significance desired (α = 5%). Accepting or rejecting hypotheses is based on criterias below:

- If significance value (ρ) > level of significance desired (α), null hypotheses would be rejected (regression coefficient is insignificant). It means that liquidity, outstanding shares, and company size have no significant influence toward mandatory disclosure of annual report 2014 of listed mining companies.

- If significance value (ρ) ≤ level of significance desired (α), null hypotheses would be accepted (regression coefficient is significant). It means that liquidity, outstanding shares, and company size have significant influence toward mandatory disclosure of annual report 2014 of listed mining companies.

Based on hypotheses determined in subchapter 1.9, following null hypotheses and alternative hypotheses to be tested are:

1. Liquidity influences compliance in mandatory disclosures

H_0 : There is insignificant influence between liquidity and mandatory disclosure of annual report of mining companies.

Ha_1 : There is significant influence between liquidity and mandatory disclosure of annual report of mining companies.

2. Outstanding shares influences compliance in mandatory disclosures

H_0 : There is insignificant influence between outstanding shares and mandatory disclosure of annual report of mining companies.

Ha_2 : There is significant influence between outstanding shares and mandatory disclosure of annual report of mining companies.

3. Company's size influences compliance in mandatory disclosures

H_0 : There is insignificant influence between company's size and mandatory disclosure of annual report of mining companies.

H_3 : There is significant influence between company's size and mandatory disclosure of annual report of mining companies.

Those null hypotheses and alternative hypotheses can be developed below:

$H_0 \quad : \beta_i = 0$

$H_a \quad : \beta_i \neq 0$

Where i = 1,2,3

c. Simultaneous Significance Test (F-test)

F-test is purposed to test significance and describe influence level of all independent variables toward dependent variable (Sekaran and Bougie, 2013). In this research, null and alternative hypotheses can be developed below:

$H_0 \quad :$ All variables have no significant influence of liquidity, outstanding shares, and company size toward mandatory disclosure

$H_a \quad :$ There is at least one variable has significant influence toward mandatory disclosure

Or it can be said by following statistical notation below:

$H_0 \quad : \beta_i = 0$

$H_a \quad : \beta_i \neq 0$

Where i = 1,2,3

Criterias used in F-test is depended on significance value (ρ) in F-Statistical Test (ANOVA). If significance value (ρ) $\leq$ 0.05, then H_0 is rejected. Contrary, if significance value (ρ) > 0.05, then H_0 is accepted.

3.7 Limitations

Besides limitations explained in section 1.8, researcher finds some limitations during research conducted. The most problematic thing occured is requirement of high judgment and analytical thinking due to there is some difficulties in determining and inputting quantitative data of dummy variable for mandatory disclosure. That difficulties is caused by exception condition and/or special condition of regulation which stated that some items should not be disclosed because not fulfill the requirements to be disclosed as we can see in appendix 1.

CHAPTER IV

ANALYSIS OF DATA AND RESULTS

4.1. Descriptive Statistics

The purpose of descriptive statistics in this research is to provide general description of data used in research. In other word, descriptive statistic is used to provide a clear description regarding variables used in this research, i.e. liquidity, ownership, company's size, and financial disclosure. The information given in this method are average, standard deviation, maximum value, and minimum value of data of variables. Here below is table of descriptive statistics:

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Liquidity	32	,32	97,53	4,9078	17,01173
Shares	32	,08	,88	,3431	,19276
Size	32	12,62	18,21	15,0381	1,42436
Disclosure	32	,49	,99	,7809	,14689
Valid N (listwise)	32				

Source: Output information through SPSS 21.0 processing

Table 3. Descriptive Statistics

Based on sample of 32 mining companies' annual report, maximum value of disclosure index is 0.98582 which is obtained by Bayan Resources Tbk. Whereas,

the minimum value is 0.48529 which is obtained by J Resources Asia Pasifik Tbk. The table also provides information about average value of disclosure index of annual report which is valued 0.7809.

Based on descriptive statistics table, maximum value of liquidity variable is 97.53 which is owned by Central Omega Resources Tbk. Whereas, the minimum value of 0.33 is owned by Atlas Resources Tbk. The average value of liquidity variable is 4.9078 for current ratio of mining companies in 2014.

The ratio of outstanding shares to authorized shares has maximum value of 0.88 (88%) belongs to Golden Eagle Energy Tbk. In the other side, the minimum value of 0.08 (8%) belongs to SMR Utama Tbk. The average of this ratio is 4.9078 for the period of 2014.

Company size which is measured by natural logarithm of mining companies' total assets in period of 2014 has maximum value of 18.21 which belongs to Bumi Resources Tbk, whereas the minimum value of 12.62 belongs to Perdana Karya Perkasa. The average of mining companies' size is 15.0381 for the period of 2014.

4.2. Classical Assumption Test

a. Normality Test (P-Plot Test)

Normal P-P Plot of Regression Standardized Residual

Dependent Variable: Disclosure

Figure 2. P-Plot Test

Based on the Figure 1 above, data used in this research forms a diagonal line shape and ploting data spread around the diagonal line by following the pattern of the diagonal line. The graph above indicates regression model fulfill requirement of normality assumption which means data of variables used in this research is distributed normally. Therefore, statistical method of parametric can be used for hypothesis testing.

b. Normality Test (Kolmogorov Smirnov)

One-Sample Kolmogorov-Smirnov Test

		Standardized Residual
N		32
Normal Parameters[a,b]	Mean	,0000000
	Std. Deviation	,95038193
Most Extreme Differences	Absolute	,095
	Positive	,068
	Negative	-,095
Kolmogorov-Smirnov Z		,536
Asymp. Sig. (2-tailed)		,936

a. Test distribution is Normal.

b. Calculated from data.

Figure 3. Kolmogorov-Smirnov Test

The data above is processed by researcher through using Kolmogorov-Smirnov Test. Based on the information above, significance value is 0.936. It is greater than 0.05 which mean the data in this research is distributed normally.

c. Heteroskedasticity Test

Figure 4. Scatterplot

Based on figure 4, residual distribution forms disordered figure which dots spread above and under 0 in Y-axis. Those dots also don't form clear pattern. Therefore, it can be concluded that there is no heteroskedasticity problem occured in this research.

d.   Multicolliniearity

This statistical method is purposed to examine whether two or more independent variables in a multiple regression model are highly correlated (Sekaran and Bougie, 2013).

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	,010	,265		,036	,971		
Shares	,237	,124	,312	1,910	,066	,985	1,015
Size	,046	,017	,443	2,690	,012	,964	1,037
Liquidity	,000	,001	,053	,320	,752	,962	1,040

a. Dependent Variable: Disclosure

Table 4. Multiple Regression Analysis Result and Colliniearity

Based on the table above, variance inflation factor (VIF) of independent variables is less than 10 i.e. 1.015, 1.037, and 1.040 for shares, size, and liquidity variables respectively. It means that there is no multicolliniearity problem among independent variables. It is also supported by tolerance value. The value is more than 0.1 of each independent variables where the tolerance value of shares, size, and liquidity are 0.985, 0.964, and 0.962 respectively.

4.3. Data Analysis

a. Determinant Coefficient

This statisical method is used in order to find out the capability of regression model in explaining variance of independent variables. The value of determinant coefficient is ranging from 0 to 1. If the determinant coefficient value is closer to 1, the greater capability of independent variables in explaining and predicting dependent variable. This research is using R Square for determinant coefficient in order to evaluate regression model. The table below is information of determinant coefficient of independent variables in this research.

Model Summary^b

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,516[a]	,266	,188	,13240

a. Predictors: (Constant), Liquidity, Shares, Size

b. Dependent Variable: Disclosure

Table 5. Coefficient Determinant

Based on table above, *R Square* value is 0.266 (26.6%) which means dependent variables (disclosure) can be explained significantly by independent variables (i.e. liquidity, shares, and company's size). Whereas, the rest of 73.4% is explained by other variables beyond regression model in this research, such as size of audit firm, profitability, and leverage.

b.   Multiple Regression Analysis

This hypothesis testing method is purposed to present clear description about the effect of independent variables toward examined dependent variable by using a statistical model technique. This method also can be used if measurement of variables used are ratio or interval measurement in a liniear equation. The result of hypothesis testing of using multiple regression analysis method can be described below.

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	,010	,265		,036	,971		
Shares	,237	,124	,312	1,910	,066	,985	1,015
Size	,046	,017	,443	2,690	,012	,964	1,037
Liquidity	,000	,001	,053	,320	,752	,962	1,040

a. Dependent Variable: Disclosure

Table 4. Multiple Regression Analysis Result and Colliniearity

Based on table above, an equation model of regression can be formed that is:

$$DISC = 0.010 + 0.237X_{SHARES} + 0.046X_{SIZE} + 0.000X_{LIQ}$$

DISC notation means disclosure index of mining companies' annual reports as of 2014 which can be measured through divide items disclosed to items must be disclosed in annual reports. The obligation of disclosure is regulation product of

BAPEPAM with maximum 143 items must be disclosed in annual report. Based on equation model above it can be described that:

1) Every increasing of 1% ratio of outstanding shares to authorized shares produces increasing of 23.7% disclosures in mining companies' annual report. It would be happened on the contrary. Positive coefficient value means same direction relationship. If independent variable is increasing, therefore dependent variable is also increasing. As greater the ratio of outstanding shares to authorized shares, therefore the greater the disclosure of annual report.

2) Every increasing of 1% ratio of mining company's size produces increasing of 4.6% disclosures in its' annual report. It would be happened on the contrary. Positive coefficient value means same direction relationship. If independent variable is increasing, therefore dependent variable is also increasing. As greater size of mining companies, therefore the greater the disclosure of annual report.

3) Every increasing of 1% liquidity produces increasing of 0% disclosures in mining companies' annual report. It would be happened on the contrary. Positive coefficient value means same direction relationship. If independent variable is increasing, therefore dependent variable is also increasing. As greater liquidity performance of mining companies, therefore the greater the disclosure of annual report.

4.4. Hypotheses Testing

a.   T-Testing

This hypothesis testing is conducted in order to find out whether every independent variable influences dependent variable partially with desired level of significance of 5% or 0.05. If significance value less than 0.05, so coefficient of regression is significant. Thus, H_0 is rejected in particular variable. Whereas, if significance value more than 0.05, so coefficient of regression is insignificant. Thus, H_0 is accepted in particular variable. The result of t-test statistic can be known through the table below.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	,010	,265		,036	,971
1	Shares	,237	,124	,312	1,910	,066
	Size	,046	,017	,443	2,690	,012
	Liquidity	,000	,001	,053	,320	,752

a. Dependent Variable: Disclosure

Table 4. Multiple Regression Analysis Result and Colliniearity

Based on the table above, significance value of ratio of outstanding shares to authorized shares, company's size, and liquidity are 0.066, 0.012, and 0.752 respectively. Significance value of company's size is less than 0.05 which means H_0 is rejected and size of company partially has significant influence in disclosure of annual report of mining companies as of 2014. Whereas, independent variables

of ratio outstanding shares to authorized shares and liquidity has significance value more than 0.05 which means H_0 is accepted and the ratio of shares and liquidity has insignificant influence toward disclosure of annual report. It is also supported by comparing t-statistic to standard table of t-value. The value of t-table is using coordinates $\alpha/2$; n-k-1. Therefore, the coordinates used is 0.025; 28 where the standard value of t-statistics is 2.048. Through comparing t-statistics to standard value it can be concluded that company's size has t-value more than 2.048 which means this variable has significant influence partially toward disclosure of annual report. Whereas, the rest of independent variables (i.e. outstanding shares and liquidity) have insignificant influence. Yet, outstanding shares would be significant in desired confidence level of 90%.

b.   F Statistic Testing

This hypothesis testing is purposed to exaamine whether all independent variables in the model have simultaneous influence toward dependent variable. The result of F-test is described as follow:

ANOVA[a]

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	,178	3	,059	3,385	,032[b]
Residual	,491	28	,018		
Total	,669	31			

a. Dependent Variable: Disclosure

b. Predictors: (Constant), Liquidity, Shares, Size

Table 6. F Statistical Test (ANOVA)

Based on table 6, F-calculated is 3.385 with signifance value 0.032. Due to significance value is less than 0.05, regression model can be used to predict disclosures or it can be concluded that ratio of shares, company's size, and liquidity have simultaneous impact toward disclosures of listed mining companies' annual report as of 2014. This condition is also supported by F-calculation which is 3.385. It is greater than F-table i.e. 3.33 ($df_1 = 2$; $df_2 = 29$). Therefore, H_0 is rejected which means there is at least one independent variable has significant inlfuence toward disclosure of annual report as dependent variable.

c.   Discussion

Based on partial and simultaneous testing of multiple regression analysis in previous section, thus it can be explained that:

1.   The influence of liquidity toward compliance in mandatory disclosure of annual report 2014 of mining companies listed in Indonesian Stock Exchange (IDX).

Based on examination of independent variable of liquidity which is measured by using Current Ratio (CR), significance value of 0.752 is obtained. It is greater than desired significance level (0.05). It means the result of testing of liquidity is insignificant regarding influence of liquidity toward mandatory disclosure in annual report 2014 of mining companies with regression coefficient of <0.001. The coefficient shows there is positive influence of liquidity variable toward mandatory disclosure of mining companies, but it has insignificant influence.

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Liquidity refers to the ability of a company in meeting its' short-term obligations. It is also used as performance evaluation for information users. Higher liquidity ratio means better performance of the company in meeting its' short-term obligations. Signalling theory explains that management as internal parties of the company would provide information to investors to help their decision making. Management would have incentive to give positive signal to investors by disclosure more comprehensive regarding the company's performance. Managers of firms with bad news would have incentives not to disclose.

The result of this research proves that higher liquidity does not mean the company disclose more comprehensive information in annual report. Descriptive analysis shows there are 30 mining companies whose liquidity ratio below average. PT Atlas Resources Tbk has ratio of liquidity of 0.33. It is below average of the industry liquidity. Yet, this company has disclosure index of 0.96 which could be said very good by comparing average disclosure in mining companies. There are 16 mining companies whose same condition as PT Atlas Resources Tbk.

This research is in line with research conducted by Wallace and Naser (1995) who found that there is no relationship between liquidity ratio and mandatory disclosure in companies listed in Hong Kong Stock Exchange. Owusu-Ansah (1998) also found same results in his research for Zimbabwe companies. While, Wallace et al (1994) found negative relationship between liquidity and mandatory disclosure of Spain companies. This research is contradictive with the research finding of Wallace et al (1994).

2. The influence of outstanding shares toward disclosure of annual report of mining companies listed in Indonesian Stock Exchange as of 2014

According to signaling theory, managers voluntarily provide information to investors to help their decision making (Accounting Theory 7th edition, Godfrey, p. 375). More comprehensive information disclosed in annual report would enhance the quality of the information. Managers use the information as signal to investors as source cash inflow for the future growth of the company.

Signalling theory argues that managers would be more comply in mandatory disclosure to attract prospective investors in order to give financing in the company.While, Wallace and Natser (1994) found insignificant influence of outstanding shares toward compliance in mandatory disclosure. The result of this research proves that smaller companies would be more comply in mandatory disclosure in desired confidence level of 90%.

3. Partially, company's size has significant influence toward compliance in mandatory disclosures of annual report of mining companies listed in Indonesia Stock Exchange as of 2014.

Based on hypothesis testing of company's size variable, it can be obtained significance value (ρ) of 0.012 which is less than desired level of significance (0.05). It shows positive relationship cause-effect between company's size toward mandatory disclosure of annual report of mining companies listed in Indonesia Stock Exchange for the period of 2014.

Descriptive analysis shows bigger size the company would disclose more comprehensive than the smaller one. It is proven by PT. Aneka Tambang Tbk with lnSize of 16.91 (above average 15.831). This company has disclosure index of 0.9858 which is above average of 0.7809. Whereas, PT Perdana Karya Perkasa Tbk disclosure less comprehensive with disclosure index of 0.6815. The disclosure index of this company is below average. Furthermore, lnSize of this company is also below average with value of 12.62. Those data prove that bigger size of mining companies would disclose more comprehensively and completely rather than smaller size of mining companies.

The result of this research supports agency theory which states that bigger size of company would have bigger agency cost rather than smaller companies. Bigger company would disclose more comprehensive information as an effort to reduce the agency cost (Jensen and Meckling, in Allen N. Berger, 2003).

This research also supports research conducted by Wallace and Naser (1995) which stated that there is significant relationship between the company's size and disclosure level. The explanations provided include the fact that larger companies have more expertise and financial resources to disseminate financial information rather than smaller companies. Therefore, it can be taken following hypothesis:

Big size of company is entity which takes much attention of market or public. Disclose more comprehensive information regarding financial and non-financial information is an effort of the entity in order to achieve public accountability. Besides, big company has much resources which it has consequences that entity has to disclose more information for decision-making process. Those information

is also required by external parties for investment whether regarding shares or loan decision.

4. Liquidity, outstanding shares, and company's size have influence simoultaneously toward disclosure of annual report of mining companies listed in Indonesia Stock Exchange as of 2014

Based on the research result, F Statistic Testing shows that all independent variables (i.e. liquidity, outstanding shares, and company's size) have significance value of 0.032. It is less than 0.05 which means regression model can be used to predict mandatory disclosures. In the other word, liquidity, outstanding shares, and company's size have significant influence and can predict mandatory disclosure of mining companies annual report listed in Indonesia Stock Exchange in the subsequent period.

Annual report is prepared by management in order to show the company's performance as accountability to stakeholders. Information disclosed in annual report is essential material for report users to obtain understanding of a company's condition. Liquidity as financial performance, outstanding shares ratio, and company's size are such components of annual report content which is related each other. The relationship between independent variable (liquidity, outstanding shares, company's size) and disclosure have the management to disclose more comprehensive information to explain or describe company's condition in a whole and the risk that could be happened in the future.

This condition is supported by signaling theory which explains that managers voluntarily provide information to investors to help their decision making (Accounting Theory 7th edition, Godfrey, p. 375). More comprehensive information disclosed in annual report would enhance the quality of the information. Managers use the information as signal to investors as source cash inflow for the future growth of the company.

Therefore, liquidity as financial performance, outstanding shares ratio, and company's size has simoultaneous impact toward disclosure of mining companies' annual reports as of 2014.

CHAPTER V

CONCLUSIONS AND RECOMMENDATIONS

5.1. Conclusions

Related to research objectives in chapter I (i.e. purposively to examine empirical effect of liquidity, outstanding shares, and company's size toward completeness of mandatory disclosures in annual report as contribution to academic development and practical compliance of mining companies in disclosure), all components of mandatory items disclosed in annual reports is used for determining disclosure index, current assets and liabilities are used for calculation of liquidity, outstanding shares and authorized shares are used for determining outstanding shares ratio, and total assets to determine company's size. Based on collected and analyzed data, it could be take conclusions as follows:

a. Only independent variable of company's size has significant influence partially toward mandatory disclosure. Based on T-Testing in chapter IV, it is found that company's size has significance value of 0.012 which is less than 0.05. It means that H_0 is rejected and it is concluded that company's size has positive and significant influence toward mandatory disclosure with coefficient of 0.046.

b. Liquidity ratio insignificant influence partially toward mandatory disclosure. Based on T-Testing in Chapter IV, liquidity has significance

value of 0.752 which is greater than 0.05. Therefore, H_0 is accepted and concluded that liquidity has insignificant influence toward mandatory disclosure.

c. Outstanding shares ratio have insignificant influence partially toward mandatory disclosure. Based on T-Testing in Chapter IV, outstanding shares has significance value of 0.066 which means is greater than 0.05. Therefore, H_0 is accepted and concluded that outstanding shares has insignificant influence toward mandatory disclosure in desired confidence level of 95%. Yet, outstanding shares ratio would have significant level in desired confidence level of 90%.

d. Liquidity, outstanding shares ratio, and company's size have simoultaneous influence toward mandatory disclosure. Based on F Statistic Testing, it is found significance value of 0.032 which is less than 0.05. Therefore, H_0 is rejected and it is concluded that liquidity, outstanding shares ratio, and company's size have simoultaneous influence toward mandatory disclosure in desired confidence level of 95%.

e. Liquidity, outstanding shares ratio, and company's size has determinant coefficient of 26.6%. It means that liquidity, outstanding shares ratio, and company's size can explain and predict 26.6% of mandatory disclosure. The rest of 73.4% can be explained by control variables such as audit firm size, profitability, and industry type which has been researched by prior researcher.

5.2. Recommendations

The researcher tries to recommend a few constructive suggestions in some areas. First, mining companies should be more concerned on compliance in mandatory disclosures. It is an obligation for mining companies which operate in Indonesia to comply with rules and regulation. This is very important for report users in their decision making especially to protect investor interest. The risk of investment must be mitigated by investor through analysis of report. If the report is not useful enough, investor could make fault decision. Furthermore, mining is an industry which needs many source of investment as financial capital in their operating for extracting natural resources.

Secondly, this research can contribute in academic area. Further research can be developed by including more factors of mandatory disclosure. Perhaps, further researcher can develop this research by extend research area (i.e. not only cross sectional, but also time series annual report as object of research. This research could be also developed by doing interview with expert economicst or using third party(ies) in assessment of disclosure of mining companies.

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APPENDICES

APPENDIX 1

Items of mandatory disclosure BAPEPAM-LK Nomor: KEP-431/BL/2012

Regarding Presentation of Annual Report of Entities

or Public Listed Company

1.	IKHTISAR DATA KEUANGAN PENTING
	A. Ikhtisar data keuangan penting disajikan dalam bentuk perbandingan selama 3 (tiga) tahun buku yang memuat:
	1. Pendapatan
	2. Laba Kotor
	3. Laba (rugi)
	4. Jumlah laba (rugi) yang dapat didistribusikan kepada pemilik entitas induk dan kepentingan non-pengendali
	5. Total laba (rugi) komprehensif
	6. Jumlah laba (rugi) komprehensif yang dapat didistribusikan kepada pemilik entitas induk dan kepentingan non-pengendali
	7. Laba (rugi) per saham
	8. Jumlah aset
	9. Jumlah liabilitas
	10. Jumlah ekuitas
	11. Rasio laba (rugi) terhadap jumlah aset
	12. Rasio laba (rugi) terhadap ekuitas

13. Rasio laba (rugi) terhadap pendapatan

14. Rasio lancar

15. Rasio liabilitas terhadap ekuitas

16. Rasio liabilitas terhadap jumlah aset

17. Informasi dan rasio keuangan lainnya yang relevan dengan perusahaan dan jenis industrinya

Total Sub Section 1.A = 17 items

B. Informasi mengenai saham yang diterbitkan untuk setiap masa triwulan dalam 2 (dua) tahun buku terakhir, paling kurang meliputi:

1. Jumlah saham yang beredar

2. Kapitalisasi pasar

3. Harga saham tertinggi, terendah, dan penutupan

4. Volume perdagangan

Total Sub Section 1.B = 4 items

C. Dalam hal terjadi aksi korporasi, laporan tahunan wajib menambahkan penjelasan antara lain mengenai:

1. Tanggal pelaksanaan aksi korporasi

2. Rasio stock split, reverse stock, dividen saham, saham bonus, dan penurunan nilai saham

3. Jumlah saham beredar sebelum dan sesudah aksi korporasi

4. Harga saham sebelum dan sesudah aksi korporasi

	Total Sub Section 1.C = 4 items
	D. Dalam hal perdagangan saham perusahaan dihentikan sementara (*suspension*) dalam tahun buku, maka laporan tahunan wajib membuat penjelasan mengenai alasan penghentian sementara tersebut.
	E. Dalam hal pengentian sementara sebagaimana dimaksud dalam huruf D masih berlangsung hingga tanggal penerbitan laporan tahunan, maka Emiten atau Perusahaan Publik wajib menjelaskan pula tindakan-tindakan yang dilakukan perusahaan untuk menyelesaikan masalah tersebut.
	Total Section 1 (Ikhtisar Data Keuangan Penting) = 27 items (17+4+4+2)
2	LAPORAN DEWAN KOMISARIS A. Penilaian terhadap kinerja Direksi mengenai pengelolaan perusahaan B. Pandangan atas prospek usaha perusahaan yang disusun oleh Direksi C. Perubahaan komposisi anggota Dewan Komisaris dan alasan perubahannya (jika ada) Total Section 2 (Laporan Dewan Komisaris) = 3 items
3	LAPORAN DIREKSI A. Kinerja perusahaan, yang mencakup antara lain kebijakan strategis, perbandingan antara hasil yang dicapai dengan yang ditargetkan, dan kendala-kendala yang dihadapi perusahaan B. Gambaran tentang prospek usaha C. Penerapan tata kelola perusahaan D. Perubahaan komposisi anggota Direksi dan alasan perubahannya (jika

	ada)
	Total Section 3 (Laporan Direksi) = 4 items

4	PROFIL PERUSAHAAN
	
	A. Nama, alamat, nomor telepon, nomor faksimile, alamat *e-mail*, dan *website* perusahaan dan/atau kantor cabang atau kantor perwakilan, yang memungkinkan masyarakat dapat memperoleh informasi mengenai perusahaan
	
	B. Riwayat singkat perusahaan
	
	C. Kegiatan usaha perusahaan menurut Anggaran Dasar terakhir, serta jenis produk dan/atau jasa yang dihasilkan
	
	D. Struktur organisasi perusahaan dalam bentuk bagan, paling kurang sampai dengan struktur satu tingkat dibawah Direksi, disertai dengan nama dan jabatan
	
	E. Visi dan misi perusahaan
	
	F. Profil Dewan Komisaris, meliputi:
	
	    1. Nama
	
	    2. Riwayat jabatan, pengalaman kerja yang dimiliki, dan dasar hukum penunjukkan pertama kali kepada Emiten atau Perusahaan Publik, sebagaimana dicantumkan dalam berita acara keputusan RUPS
	
	    3. Riwayat pendidikan
	
	    4. Penjelasan singkat mengenai jenis pelatihan dalam rangka meningkatkan kompetensi Dewan Komisaris yang telah diikuti dalam tahun buku (jika ada)

5. Pengungkapan hubungan afiliasi dengan anggota Direksi dan anggota Dewan Komisaris lainnya, serta pemegang saham (jika ada)

Total Sub Section 4.F = 5 items

G. Profil Direksi, meliputi:

1) Nama dan uraian singkata tentang tugas dan fungsi yang dilaksanakan

2) Riwayat jabatan, pengalaman kerja yang dimiliki, dan dasar hukum penunjukkan pertama kali pada Emiten atau Perusahaan Publik, sebagaimana dicantumkan dalam berita acara keputusan RUPS

3) Riwayat pendidikan

4) Penjelasan singkat mengenai jenis pelatihan dalam rangka meningkatkan kompetensi Direksi yang telah diikuti dalam tahun buku (jika ada)

5) Pengungkapan hubungan afiliasi dengan anggota Direksi lainnya dengan pemegang saham (jika ada)

Total Sub Section 4.G = 5 items

H. Dalam hal terdapat perubahan susunan Dewan Komisaris dan/atau Direksi yang terjadi setelah tahun buku berakhir sampai dengan batas waktu penyampaian laporan tahunan, maka susunan yang dicantumkan dalam laporan tahunan adalah susunan Dewan Komisaris dan/atau Direksi yang terakhir dan sebelumnya

I. Jumlah karyawan dan deskripsi pengembangan kompetensinya dalam tahun buku

J. Uraian tentang nama pemegang saham dan persentase kepemilikannya pada akhir tahun buku yang terdiri dari:

1. Pemegang saham yang memiliki 5% atau lebih saham Emiten atau Perusahaan Publik

2. Komisaris dan Direktur yang memiliki saham Emiten atau Perusahaan Publik

3. Kelompok pemegang saham masyarakat

Total Sub Section 4.J = 3 items

K. Informasi mengenai pemegang saham utama dan pengendali Emiten atau Perusahaan Publik sampai kepada pemilik individu, yang disajikan dalam bentuk skema atau diagram

L. Nama entitas anak, perusahaan asosiasi, perusahaan ventura bersama diaman Emitan atau Perusahaan Publik memiliki pengendalian bersama entitas, beserta persentase kepemilikan saham, bidang usaha, dan status operasi perusahaan tersebut. Untuk unit anak ditambahkan informasi mengenai alamat

M. Kronologis pencatatan saham dan perubahan jumlah saham dari awal pencatatan hingga akhir tahun buku serta nama Bursa Efek dimana perusahaan dicatatkan (jika ada)

N. Kronologis pencatatan Efek lainnya dan peringkat Efek (jika ada)

	O. Nama dan alamat perusahaan pemeringkat Efek (jika ada) P. Nama dan alamat lembaga dan/atau profesi penunjang pasar modal Q. Penghargaan dan sertifikasi yang diterima perusahaan baik yang berskala nasional maupun internasional dalam tahun buku berakhir (jika ada) Total Section 4 (Profil Perusahaan) = 27 items (1 + 1 + 1 + 1 + 1 + 5 + 5 + 1 + 1 + 3 + 1 + 1 + 1 + 1 + 1 + 1 + 1)

5	ANALISIS DAN PEMBAHASAN MANAJEMEN
	
	A. Tinjauan operasi per segmen operasi, antara lain:
	
	   1. Produksi, yang meliputi proses, kapasitas, dan perkembangannya
	
	   2. Pendapatan
	
	   3. Profitabilitas
	
	Total Sub Section 5.A = 3 items
	
	B. Analisis kinerja keuangan komprehensif yang mencakup perbandingan kinerja keuangan dalam 2 (dua) tahun buku terakhir, antara lain:
	
	   1. Aset lancar, aset tidak lancar, dan total aset
	
	   2. Liabilitas jangka pendek, liabilitas jangka panjang, dan total liabilitas
	
	   3. Ekuitas
	
	   4. Pendapatan, beban, laba (rugi), pendapatan komprehensif lain, dan total laba (rugi) komprehensif
	
	   5. Arus kas

Total Sub Section 5.B = 5 items

C. Kemampuang membayar utang dengan menyajikan perhitungan rasio yang relevan

D. Tingkat kolektabilitas piutang perusahaan dengan menyajikan perhitungan rasio yang relevan

E. Struktur permodalan dan kebijakan manajemen atas struktur permodalan tersebut

F. Bahasan mengenai ikatan yang material untuk investasi barang modal dengan penjelasan tujuan, sumber dana, mata uang yang didenominasi, dan langkah-langkah yang direncanakan perusahaan untuk melindungi risiko dari posisi mata uang asing yang terkait

G. Informasi dan fakta material yang terjadi setelah tanggal laporan akuntan

H. Prospek usaha dari perusahaan dikaitkan dengan kondisi industri, ekonomi secara umum, dan pasar internasional serta dapat disertai data pendukung kuantitatif dari sumber data yang layak dipercaya

I. Perbandingan antara target/proyeksi pada awal tahun buku dengan hasil yang dicapai, mengenai pendapatan, laba, struktur permodalan, atau lainnya yang dianggap penting bagi perusahaan

J. Target proyeksi yang ingin dicapai perusahaan paling lama untuk satu tahun mendatang, mengenai pendapatan, laba (rugi), struktur modal, kebijakan dividen, atau lainnya yang dianggap penting bagi perusahaan.

K. Aspek pemasaran atas produk dan jasa perusahaan, antara lain strategi

pemasaran dan pangsa pasar

L. Kebijakan dividen dan tanggal serta jumlah dividen per saham dan jumlah dividen per tahun yang diumumkan atau dibayar selama 2 tahun buku terakhir

M. Realisasi penggunaan dana penawaran umum:

1. Dalam hal selama tahun buku, Emiten memiliki kewajiban menyampaikan laporan realisasi penggunaan dana, maka wajib diungkapkan realisasi penggunaan dana hasil penawaran umum secara kumulatif sampai dengan akhir tahun buku

2. Dalam hal terdapat perubahaan penggunaan dana sebagaimana diatur dalam Peraturan Nomor X.K.4, maka Emiten wajib menjelaskan perubahan tersebut

Total Sub Section 5.M = 2 items

N. Informasi material, antara lain mengenai investasi, ekspansi, divestasi, penggabungan/peleburan usaha, akuisisi, restrukturisasi utang/modal, transaksi afiliasi, dan transaksi yang mengandung benturan kepentingan yang terjadi pada tahun buku memuat:

1. Tanggal, nilai, dan obyek transaksi

2. Nama pihak yang bertransaksi

3. Sifat hubungan afiliasi

4. Penjelasan mengenai kewajaran transaksi

5. Pemenuhan ketentuan terkait

	Total Sub Section 5.N = 5 items
	O. Perubahan peraturan perundang-undangan yang berpengaruh signifikan terhadap perusahaan dan dampaknya terhadap laporan keuangan
	P. Perubahan kebijakan akuntansi, alasan, dan dampaknya terhadap laporan keuangan
	Total Section 5 (Analisis dan Pembahasan Manajemen) = 27 items (3 + 5 + 1 + 1 + 1 + 1 + 1 + 1 + 1 + 1 + 1 + 1 + 2 + 5 + 1 + 1)

6	TATA KELOLA PERUSAHAAN (*CORPORATE GOVERNANCE*)
	
	A. Dewan Komisaris, mencakup:
	
	    1. Uraian pelaksanaan tugas Dewan Komisaris
	
	    2. Pengungkapan prosedur, dasar pendapatan, dan besarnya renumerasi anggota Dewan Komisaris
	
	    3. Pengungkapan kebijakan perusahaan dan pelaksanaannya, tentang frekuensi rapat Dewan Komisaris, termasuk rapat gabungan dengan Direksi, dan tingkat kehadiran anggota Dewan Komisaris dalam rapat tersebut
	
	Total Sub Section 6.A = 3 items
	
	B. Direksi, mencakup:
	
	    1. Ruang lingkup pekerjaan dan tanggung jawab masing-masing anggota Direksi
	
	    2. Pengungkapan prosedur, dasar penetapan, dan besarnya renumerasi anggota Direksi, termasuk rapat gabungan dengan Dewan

Komisaris, dan tingkat kehadiran anggota Direksi dalam rapat tersebut

3. Pengungkapan kebijakan perusahaan dan pelaksanaannya, tentang frekuensi rapat Direksi, termasuk rapat gabungan dengan Dewan Komisaris, dan tingkat kehadiran anggota Direksi dalam rapat tersebut

4. Keputusan RUPS tahun sebelumnya dan realisasinya pada tahun buku, serta alasan dalam hal terdapat keputusan yang belum direalisasikan

5. Pengungkapan kebijakan perusahaan tentang penilaian terhadap kinerja anggota Direksi

Total Sub Section 6.B = 5 items

C. Komite Audit, mencakup:

1. Nama

2. Riwayat jabatan, pengalaman kerja, dan dasar hukum penunjukkan

3. Riwayat pendidikan

4. Periode jabatan anggota Komite Audit

5. Pengungkapan independensi Komite Audit

6. Pengungkapan kebijakan perusahaan dan pelaksanaannya, tentang frekuensi rapat Komite Audit dan tingkat kehadiran anggota komite audit dalam rapat tersebut

7. Uraian singkat pelaksanaan kegiatan Komite Audit pada tahun buku

sesuai dengan yang dicantumkan dalam piagam (*charter*) Komite Audit

Total Sub Section 6.C = 7 items

D. Komite lain yang dimiliki Emiten atau Perusahaan Publik, seperti komite nominasi dan renumerasi, mencakup:

1. Nama

2. Riwayat jabatan, pengalaman kerja yang dimiliki, dan dasar hukum penunjukkan

3. Riwayat pendidikan

4. Periode jabatan anggota komite

5. Pengungkapan kebijakan perusahaan mengenai independensi komite

6. Uraian tugas dan tanggung jawab

7. Pengungkapan kebijakan perusahaan dan pelaksanaannya, tentang frekuensi rapat komite dan tingkat kehadiran anggota komite dalam rapat tersebut

8. Uraian singkat pelaksanaan kegiatan komite pada tahun buku

Total Sub Section 6.D = 8 items

E. Uraian tugas dan fungsi sekretaris perusahaan, mencakup:

1. Nama

2. Riwayat jabatan, pengalaman kerja yang dimiliki, dan dasar hukum

penunjukkan

3. Riwayat pendidikan

4. Periode jabatan sekretaris perusahaan

5. Uraian singkat pelaksanaan tugas sekretaris perusahaan pada tahun buku

Total Sub Section 6.E = 5 items

F. Uraian mengenai Unit Audit Internal, meliputi:

1. Nama

2. Riwayat jabatan, pengalaman kerja yang dimiliki, dan dasar hukum penunjukkan

3. Kualifikasi atau sertifikasi sebagai profesi audit internal

4. Struktur dan kedudukan unit audit internal

5. Tugas dan tanggung jawab unit audit internal sesuai dengan yang dicantumkan dalam piagam (charter) unit audit internal

6. Uraian singkat pelaksanaan tugas unit audit internal pada tahun buku

Total Sub Section 6.F = 6 items

G. Uraian mengenai sistem pengendalian intern (*internal control*) yang diterapkan oleh perusahaan, meliputi:

1. Pengendalian keuangan dan operasional, serta kepatuhan terhadap perundang-undangan

2. Review efektifitas sistem pengendalian intern

Total Sub Section 6.G = 2 items

H. Sistem manajemen risiko yang diterapkan oleh perusahaan, meliputi:

1. Gambaran umum mengenai sistem manajemen risiko perusahaan

2. Jenis risiko dan cara pengelolaannya

3. Review atas efektifitas sistem manajemen risiko perusahaan

Total Sub Section 6.H = 3 items

I. Perkara penting yang dihadapi oleh Emiten atau Perusahaan Publik, entitas anak, anggota Dewan Komisaris, dan Direksi yang sedang menjabat, meliputi:

1. Pokok perkara/gugatan

2. Status penyelesaian perkara/gugatan

3. Pengaruhnya terhadap kondisi perusahaan

Total Sub Section 6.I = 3 items

J. Informasi tentang sanksi administratif yang dikenakan kepada emiten atau Perusahaan Publik, anggota Dewan Komisaris dan Direksi, oleh otoritas pasar modal dan otoritas lainnya pada tahun buku terakhir

K. Informasi mengenai kode etik dan budaya perusahaan, meliputi:

1. Pokok-pokok kode etik

2. Pokok-pokok budaya perusahaan (*corporate culture*)

	3. Bentuk sosial kode etik dan upaya penegakkannya
	4. Pengungkapan bahwa kode etik berlaku bagi Dewan Komisaris, Direksi, dan karyawan perusahaan
	Total Sub Section 6.K = 4 item
	L. Uraian mengenai program kepemilikan saham oleh karyawan dan/atau manajemen yang dilaksanakan Emiten atau Perusahaan Publik, antara lain jumlah, jangka waktu, persyaratan karyawan dan/atau manajemen yang berhak, serta harga *exercise*
	M. Uraian engenai sistem pelaporan keuangan (*whistleblowing system*) di Emiten atau Perusahaan Publik yang dapat merugikan perusahaan maupun pemangku kepentingan, meliputi:
	1. Cara penyampaian laporan keuangan
	2. Perlindungan bagi pelapor
	3. Penanganan pengaduan
	4. Pihak yang mengelola pengaduan
	5. Hasil dari penanganan pengaduan
	Total Sub Section 6.M = 5 items
	Total Section 6 (Tata Kelola Perusahaan) = 53 items (3 + 5 + 7 + 8 + 5 + 6 + 2 + 3 + 3 + 1 + 4 + 1 + 5)
7	TANGGUNG JAWAB SOSIAL PERUSAHAAN
	A. Bahasan mengenai tanggung jawab sosial perusahaan, meliputi:
	1. Lingkungan hidup

	2. Praktik ketenagakerjaan, kesehatan, dan keselamatan kerja
	3. Pengembangan sosial dan kemasyarakatan
	4. Tanggung jawab produk
	Total Sub Section 7.A = 4 items
	B. Emiten perusahaan publik dapat mengungkapkan informasi sebagaimana yang dimaksud di huruf A pada laporan tahunan atau laporan tersendiri yang disampaikan bersamaan dengan laporan tahunan kepada BAPEPAM – LK
	Total Section 7 (Tanggung Jawab Sosial Perusahaan) = 5 items (4 + 1)
8	LAPORAN KEUANGAN TAHUNAN YANG TELAH DIAUDIT
9	TANDA TANGAN DEWAN KOMISARIS DAN DIREKSI
	A. Laporan tahunan wajib ditandatangani oleh seluruh anggota Dewan Komisaris dan Direksi yang sedang menjabat
	B. Tanda tangan dibubuhkan pada lembaran tersendiri dalam laporan tahunan dimana dalam lembaran dimaksud wajib dicantumkan pernyataan bahwa anggota Dewan Komisaris dan Direksi bertanggung jawab penuh atas kebenaran isi laporan tahunan
	C. Dalam hal terdapat anggota Dewan Komisaris atau Direksi yang tidak menandatangani laporan tahunan, maka yang bersangkutan wajib menyebutkan alasannya secara tertulis dalam surat tersendiri yang dilekatkan pada laporan tahunan
	D. Dalam hal terdapat anggota Dewan Komisaris atau Direksi yang tidak

	menandatangani laporan tahunan dan tidak memberi alasan secara tertulis, maka anggota Dewan Komisaris atau Direksi yang menandatangani laporan tahunan wajib menyatakan secara tertulis dalam surat tersendiri yang dilekatkan pada laporan tahunan Total Section 9 = 4 items
	Total Items of Mandatory Disclosure = 151 items (27 + 3 + 4 + 27 + 27 + 53 + 5 + 1 + 4)

APPENDIX 2

Calculations of Mandatory Disclosure Index for Annual Report 2014

of Mining Companies Listed in IDX

Company's Name	Items Disclosed	Items Must Be Disclosed	Index
Adaro Energy Tbk	121	134	0,90
Aneka Tambang (Persero) Tbk	139	141	0,99
Apexindo Pratama Duta Tbk	115	143	0,80
Atlas Resources Tbk	134	139	0,96
Ratu Prabu Energi Tbk	81	138	0,59
ATPK Resources Tbk	112	134	0,84
Bumi Resources Tbk	122	139	0,88
Bayan Resources Tbk	134	136	0,99
Cita Mineral Investindo Tbk	77	134	0,57
Exploitasi Energi Indonesia Tbk	67	133	0,50
Citatah Tbk	96	132	0,73
Darma Henwa Tbk	104	133	0,78
Central Omega Resources Tbk	102	134	0,76
Delta Dunia Makmur Tbk	129	139	0,93
Elnusa Tbk	135	137	0,99
Surya Esa Perkasa Tbk	110	135	0,81
Golden Energy Mines Tbk	115	135	0,85
Garda Tujuh Buana Tbk	99	133	0,74
Harum Energy Tbk	106	139	0,76
Resource Alam Indonesia Tbk	129	139	0,93
Mitrabara Adiperdana Tbk	94	137	0,69
Mitra Investindo Tbk	84	139	0,60
Perdana Karya Perkasa	92	135	0,68

J Resources Asia Pasifik Tbk	66	136	0,49
Tambang Batubara Bukit Asam (Persero) Tbk	130	135	0,96
Petrosea Tbk	101	141	0,72
Radiant Utama Interinsco Tbk	101	137	0,74
Golden Eagle Energy Tbk	120	138	0,87
SMR Utama Tbk	81	134	0,60
Sugih Energy Tbk	94	134	0,70
Timah (Persero) Tbk	133	138	0,96
Agis Tbk	94	139	0,68

APPENDIX 3

Liquidity (Current Ratio), Outstanding Shares, Company Size

Company's Name	Liquidity	Outstanding Shares	Company Size
Adaro Energy Tbk	1,64	0,40	18,19
Aneka Tambang (Persero) Tbk	1,64	0,24	16,91
Apexindo Pratama Duta Tbk	1,06	0,44	16,09
Atlas Resources Tbk	0,33	0,72	15,26
Ratu Prabu Energi Tbk	2,08	0,26	14,39
ATPK Resources Tbk	3,21	0,23	14,40
Bumi Resources Tbk	0,35	0,12	18,21
Bayan Resources Tbk	0,62	0,28	16,49
Cita Mineral Investindo Tbk	1,52	0,25	14,84
Exploitasi Energi Indonesia Tbk	1,29	0,23	15,52
Citatah Tbk	1,09	0,13	12,81
Darma Henwa Tbk	1,40	0,36	15,30
Central Omega Resources Tbk	97,53	0,28	13,90
Delta Dunia Makmur Tbk	2,38	0,31	16,24
Elnusa Tbk	1,62	0,32	15,26
Surya Esa Perkasa Tbk	1,62	0,50	14,37
Golden Energy Mines Tbk	2,21	0,29	15,18
Garda Tujuh Buana Tbk	2,01	0,25	13,82
Harum Energy Tbk	3,42	0,27	15,52
Resource Alam Indonesia Tbk	1,69	0,25	14,03
Mitrabara Adiperdana Tbk	1,77	0,31	13,43
Mitra Investindo Tbk	2,50	0,19	12,80
Perdana Karya Perkasa	1,20	0,40	12,62

J Resources Asia Pasifik Tbk	0,39	0,26	16,18
Tambang Batubara Bukit Asam (Persero) Tbk	2,13	0,29	16,45
Petrosea Tbk	1,64	0,25	15,58
Radiant Utama Interinsco Tbk	0,97	0,32	14,05
Golden Eagle Energy Tbk	1,21	0,88	13,49
SMR Utama Tbk	11,63	0,08	14,09
Sugih Energy Tbk	0,32	0,31	15,73
Timah (Persero) Tbk	1,89	0,74	16,09
Agis Tbk	2,69	0,82	13,98

APPENDIX 4

Result of Descriptive Statistics

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Liquidity	32	,32	97,53	4,9078	17,01173
Shares	32	,08	,88	,3431	,19276
Size	32	12,62	18,21	15,0381	1,42436
Disclosure	32	,49	,99	,7809	,14689
Valid N (listwise)	32				

APPENDIX 5

Result of Classical Assumption

1.   Normality Test

Normal P-P Plot of Regression Standardized Residual

Dependent Variable: Disclosure

2. Kolmogorov Smirnov

One-Sample Kolmogorov-Smirnov Test

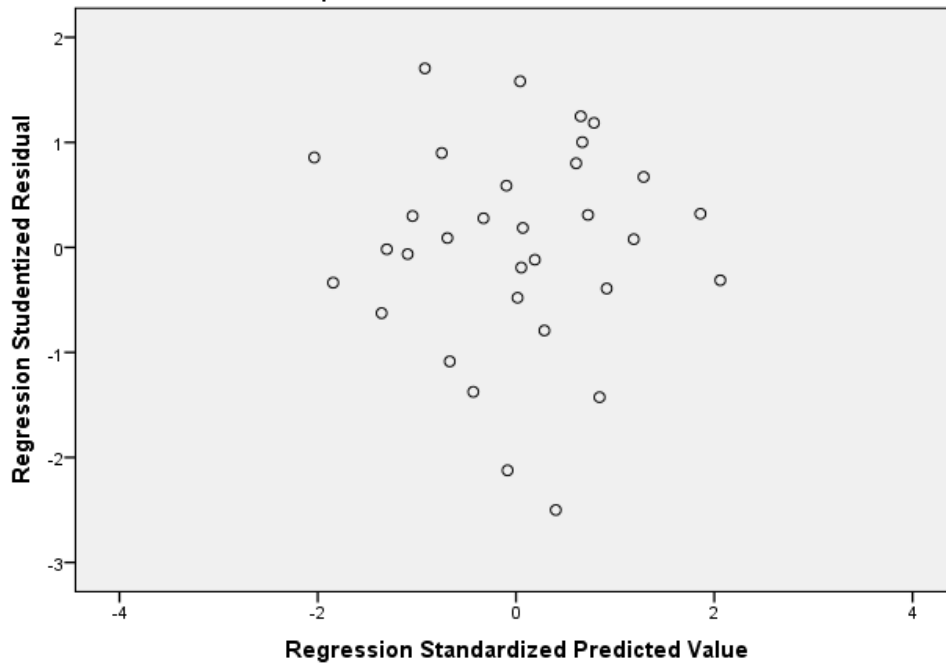|		Standardized Residual
N		32
Normal Parameters[a,b]	Mean	,0000000
	Std. Deviation	,95038193
Most Extreme Differences	Absolute	,095
	Positive	,068
	Negative	-,095
Kolmogorov-Smirnov Z		,536
Asymp. Sig. (2-tailed)		,936

a. Test distribution is Normal.

b. Calculated from data.

3. Heterokedasticity Test

Scatterplot
Dependent Variable: Disclosure

APPENDIX 6

Regression Analysis Result

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	,010	,265		,036	,971		
Shares	,237	,124	,312	1,910	,066	,985	1,015
Size	,046	,017	,443	2,690	,012	,964	1,037
Liquidity	,000	,001	,053	,320	,752	,962	1,040

a. Dependent Variable: Disclosure

ANOVA (F Statistic Testing)

ANOVA[a]

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	,178	3	,059	3,385	,032[b]
Residual	,491	28	,018		
Total	,669	31			

a. Dependent Variable: Disclosure

b. Predictors: (Constant), Liquidity, Shares, Size