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The Influence of Accrual Quality, Accounting Conservatism and Debt Maturity on Investment Efficiency in Consumer Sector Companies in Indonesia

Eka Rosalina
Politeknik Negeri Padang
Correspondent : ekarosalinapnp5@gmail.com

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ABSTRACT: A company's investment decisions and their results determine a company's future cash flows and profitability and profoundly affect its long-term survival and growth. Investment optimization must be made because it is the most important management responsibility and a fundamental problem in corporate finance. A company's investment decisions and results determine the company's future cash flow and profitability, and profoundly affect the company's survival, appropriate long-term growth and achieving investment efficiency in the company. This research examines the accrual quality, accounting conservatism and debt maturity on investment efficiency. This test was carried out in a regression manner on manufacturing companies in Indonesia. The sample size was 132 out of 174 populations that met the criteria during the 2019 to 2021 fiscal period. The results show that the results of testing the quality of financial reports with Accrual Quality have a the favorable impact on investment efficacy suggests that the caliber of financial reports a higher source of information and will reduce asymmetric information thereby increasing investment efficiency And also debt maturity does not exert a substantial influence on the efficiency of investment, as the liquidity flow that would otherwise be desirable to invest must ultimately be spent on debt maturity which is quite high

Keywords: Accrual Quality, Accounting Conservatism, Debt Maturity and Investment Efficiency

INTRODUCTION

As the global economy continues to evolve within the framework of globalization, the competitive landscape of the business world is becoming increasingly intricate and formidable. This dynamic necessitates that corporate management can administer their organizations with both efficacy and efficiency to realize the objectives delineated by the enterprise. In addition to the intensifying rivalry, the challenges confronting companies are not exclusively attributable to external influences but also stem from internal dynamics within the organization (Delima, 2023; Haque, 2016). The business sector in Indonesia presently faces the imperative to engage in global competition, as the influx of foreign products threatens to occupy the domestic market share if local offerings fail to measure up in terms of competitiveness. A significant challenge for the business sector amid the competitive landscape in Indonesia pertains to the production factor. Enhancing production capabilities can be achieved through strategic investments. Such investments should not be limited solely to the financial domain, encompassing instruments such as equities and bonds. In the 1950s, company value was equivalent to efficiency (Marzuki & Wahab, 2018; Nurmansyah, 2024). Uncertainty related to this policy changes the economic environment in which companies operate, ultimately affecting potential investment efficiency.

In an economic context, investment is the placement of funds owned by a company during a certain period with the expectation of a return on value or an increase in value (Moreno et al., 2014). If a company delays investment in the face of policy uncertainty, the company may experience lost investment opportunities (Ardillah & Halim, 2021). Uncertainty in economic policy causes company investment levels to be less than optimal, so ownership is important in determining company investment behavior. The most important factor for the successful development of a company is the effective development of investment decisions. The Investmemt decision is a commitment of a certain amount of funds to a company to gain benefits in the future and obtain profits and maximize profits from company operational activities and required expenditures from investors and entrepreneurs in purchasing capital in the form of company assets to facilitate the production of goods and services so that they can run following the economy company (Cherkasova & Rasadi, 2017).

The efficacy of investment is intricately connected to corporate expansion. It is fundamentally associated with the organization's capacity to engage in optimal investment practices as a derivative of growth, fiscal resources, and available investment prospects. In today's increasingly complex business environment and intense global competition, companies face pressure to ensure efficient use of resources and optimal investment. Investment efficiency is the key to long-term success for a company, because the correct use of funds can affect the company's financial performance and growth. Investment efficiency is efficiency in the capital allocation process according to the basic foundations of economic growth. Characteristics in investment choices include institutions (Jensen, and Meckling, 1976) and behavioral considerations (Jensen and Meckling, 1994). Corporate investment behavior and efficiency have always been hot topics in corporate finance (Boubaker et al., 2018).

Companies allocate financial resources for the production of their goods. Such investments are optimally executed to enhance the financial returns of the enterprise. A notable example is PT Indofood Sukses Makmur Tbk, which strategically maximizes its production capabilities and augments the integration of technological advancements within its manufacturing processes. PT Indofood Sukses Makmur Tbk is equipped with state-of-the-art production facilities that conform to international standards, thereby facilitating the generation of superior quality products with enhanced operational efficiency. The initiatives undertaken by Mustika Ratu Tbk in 2021, as reported by the market.bisnis.com platform, involve leveraging the company's assets by optimizing inherent potential, particularly through the utilization of factory capacity for the production of herbal medicine products, while concurrently advancing the developmental strategy through the effective management of corporate assets.

The significance of financial matters report quality in the context of investment efficiency cannot be underestimated. As the main guide for management and company owners, the quality of financial reports plays an important role in determining smart and efficient investment decisions. Companies listed on the Indonesia Stock Exchange (IDX) have set high standards by preparing quality company financial reports. The caliber of financial statements can be characterized as the information conveyed within the financial report being comprehensible, fulfilling the requirements of its stakeholders in the decision-making process, devoid of deceptive interpretations, substantial inaccuracies, and being trustworthy, thereby facilitating the comparability of the financial report.(Hanafi & Halim, 2009). (Bushman & Smith, 2001) shows that companies can reduce information asymmetry by improving the quality of financial reporting. Managers are enabled to identify better investment opportunities, higher quality financial reporting increases investment efficiency. (G. C. Biddle et al., 2009). The quality of financial reports is measured by measuring accrual quality and accounting conservatism, which both measure the quality of financial reports.

Regarding the quality of financial reports, determining factors in achieving investment levels include debt maturity, or the term of debt maturity, which plays a significant role in determining the efficiency of a company's investment. This concept refers to the period when a company must repay its debt to creditors. Wise management in determining the structure of debt terms can affect the company's cash flow, financial risk, and ability to make long-term investments. Therefore, careful analysis of debt maturity is key in evaluating the company's economic policies and their impact on investment efficiency. According to (Manuelli, 2019) Debt maturity is the maturity period of a company's debt. If a company has long-term debt, it may have more time to use the funds obtained from the debt for investment activities. Conversely, if a company has short-term debt, it may face time constraints when using the funds for investment.(Suaidah & Sebrina, 2020).(Ortiz-Molina & Penas, 2008)Propose that shorter debt maturities can be used to reduce the problem of information asymmetry. Based on the theoretical model(Childs et al., 2005; Myers, 1986) It is posited that the increased adaptability associated with shorter maturities enhances the efficiency of investment strategies.

The efficiency of a company's investment is directly related to its operating position because investment is made so that the company can survive and grow. However, inefficient investment has become very common in recent times.(C.Biddle & Hilary, 2006)Investment efficiency is likewise a strategic initiative corporate management undertakes to allocate resources judiciously and in alignment with organizational requirements. The use of appropriate resources must accompany a reduction in information asymmetry and conflicts of interest in the company.(Firmansyah et al., 2022)The object of this study is the consumer non-cyclical sector companies listed on the Indonesia Stock Exchange for the 2019-2021 period. The enterprises within the consumer non-cyclical sector encompass those involved in the primary consumer goods industry, which includes entities engaged in producing or distributing products and services typically marketed to consumers, specifically those commodities that possess fundamental characteristics rendering them impervious to fluctuations in economic growth. For instance, this category includes retail establishments focused on primary goods, grocery outlets, pharmaceutical dispensaries, and similar entities. Based on the phenomena described, the researcher will conduct a study entitled " The influence of Accrual Quality, Accounting Conservatism, Debt Maturity on Investment Efficiency".

The discussion is based on Agency Theory. Pioneered by Jensen and Meckling. (Jensen & Meckling, 1976) conceptualize the corporation as a mechanism that optimises its intrinsic value and financial returns. The attainment of wealth maximization is contingent upon effective coordination and collaborative efforts among the stakeholders associated with the enterprise. Nevertheless, the divergent interests of these stakeholders frequently give rise to conflicts of interest, which can be mitigated solely through a combination of ownership and managerial oversight. The self-interested stakeholders are cognizant that their objectives can only be fulfilled through the organisation's continued existence. Consequently, they exert effort to ensure the sustainability of the corporation. In summation, agency theory elucidates the dynamics of the interaction between two disparate entities: the principal, or proprietor, and the agent, who bears the responsibility for the administration of the enterprise.

Investment efficiency is rarely researched because investment efficiency involves many variables and factors that are difficult to measure accurately. Investment efficiency is calculated depending on the research context, such as the industrial sector, economic conditions, and government policy. This variation can make it difficult for researchers to generalise findings (He et al., 2019). And the scope of research related to investment efficiency is still narrow. Based on the background above, several formulations of the following research problems can be formulated: Accrual Quality, Accounting Conservatism and debt maturity structure by looking at the influence on investment efficiency. This research aims to determine Accrual Quality, Accounting Conservatism and debt maturity structure by looking at the influence on investment efficiency, researched on consumer sector companies in Indonesia.

Investment Efficiency

Investment constitutes a strategic allocation of financial resources or assets an entity possesses, executed in the present to realise specific profit margins in the foreseeable future. Investment can be defined as the deliberate designation or relinquishment of a defined quantum of financial resources in the present, with the anticipation of future profit generation (Fajriani, Wijaya, & Widyastuti., 2021). Furthermore, investment can be construed as capital expenditures incurred by firms in procuring goods and production apparatus to augment the production capability of goods and services within the economic landscape (Siregar & Amalia, 2020; Sukirno, 2006). The efficiency of investment indicates the extent to which an investment is effectively employed to fulfill predetermined objectives or goals. Within the domain of corporate finance, the efficiency of investment assumes critical significance for maximising corporate value and promoting sustainable economic advancement (Jin & Yu, 2017). The significance of investment efficiency is underscored by the assertion that (Houcinel & Kolsi, 2017) managers possess superior knowledge regarding the company's prospects compared to external stakeholders, enabling them to react judiciously by modulating capital allocation or escalating the cost of capital, which may result in the company forgoing lucrative investment prospects and consequently underinvesting. Investment decision-making necessitates that a corporation determine how it will allocate a portion of its resources.

Accrual Quality

The utilization of accrual quality as an indicator of financial reporting quality is predicated upon the premise that accruals serve as a predictor of prospective cash flows and impart critical insights regarding organizational operations (Houcinel and Kolsi, 2017). This conceptualization of accrual quality aligns with the framework of the accounting system, which posits that one of the fundamental objectives of financial reporting is to furnish information about the company's operations for the benefit of current investors and management in facilitating rational decision-making and evaluating the anticipated cash flows of the enterprise. The integrity of accruals has become synonymous with the integrity of overall earnings. Accrual quality represents a significant characteristic of financial reporting quality that emphasizes the precision of accounting information. The rationale for employing accrual quality as an indicator of financial reporting quality is grounded in the assertion that accruals act as a predictor of future cash flows (A. Biddle, 2009), in conjunction with essential variables (Silaban & Dewi, 2023; Siregar & Nuryanah, 2019), and in adherence to the McNichols model (2002), which constitutes a regression analysis of working capital accruals about existing, current, and forthcoming cash flows as well as variations in income and property, plant, and equipment (fixed assets).

The high quality of financial reporting reflected in accrual quality is imperative for managers to enhance their investment decision-making processes by improving the identification of projects and presenting more relevant accounting figures during internal deliberations (Bushman & Smith, 2001). In line with research conducted (Amrullah & Fatima, 2013; Dingkorici Akasumbawa & Haryono, 2021; Rahmawati & Harto, 2014) which also found that accrual quality has a positive and significant effect on investment efficiency. However, this does not align with research conducted by Maulina Devi, Praptapa, Farida. (2023) that accrual quality does not significantly impact investment efficiency, indicating that the quality of financial reporting does not significantly contribute to the considerations made regarding investment opportunities.

H1: Accrual quality influences investment efficiency

Accounting Conservatism

Accounting conservatism means applying high verification in delivering good news compared to bad news in user reports. Finance. The application of conservative accounting principles in financial statements is a positive signal that management has acted conservatively to prevent exaggerating the company's assets and income. Accounting conservatism does not significantly affect investment efficiency; income smoothing still increases the probability of underinvestment, but the effect becomes insignificant.(Houcinel & Kolsi, 2017)and also in the previous year 2013 (Houcine, 2013) with different data statingthat conservatism does not have a significant effect on investment efficiency of companies in the Tunisian market, based on US data. Positive influence between Accounting conservatism on investment efficiency shows that the better the financial reporting quality of a company, the more efficient is investments made by the company(Syentia & Wahyuni, 2021).

H2: Accounting conservatism influences investment efficiency

Debt Maturity

Debt maturity, also known as debt repayment, is the amount of time the business that provided the loan has to repay the debt. The debt maturity structure is very important in finance and risk management because it affects the company's cash flow, risk management and overall financial structure (Bhutta, AlHares, Shahab and Tariq., 2022). When companies borrow money, they usually stipulate a certain term in the loan or bond contract, during which they must pay back the amount owed and a predetermined interest. This period can vary from several months to several years, depending on the type of debt and the company's financial strategy.

Research conducted by (Ikhsan & Septiana, 2019) The test results show that investment efficiency is unaffected by loan maturity. According to the findings of the study (Rahmawati & Harto, 2014) Research findings indicate that the duration of debt does not exert a substantial influence on the efficacy of investment. Short-term financing does not improve investment efficiency because interest rates in Indonesia are comparatively higher than those in other markets. This claim is supported by the research that was done by (Marsya & Dewi, 2022) shows that debt maturity affects investment efficiency. In line with research (Cutillas Gomariz & Sánchez Ballesta, 2014). Debt maturity is a variable that affects investment efficiency.

H3 : Debt maturity influences investment efficiency

Research Framework

The description of theory and previous research above can be presented in a framework to clarify research with variables that are measurement elements before forming a model.

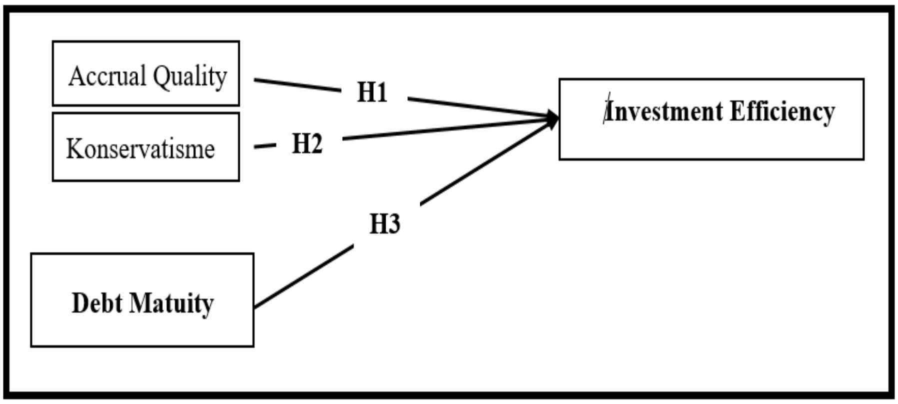

Figure 1. Research Framework

METHOD

Research Model and Design

The methodology utilized in this study is quantitative, namely a research strategy that looks at a certain population or sample, collects data using specific tools, and analyzes statistical data to describe and test preexisting hypotheses (Sugiyono, 2016). Find out if accrual quality, accounting conservatism, and loan maturity impact investment efficiency in non-cyclical consumer sector companies listed on the IDX in 2019-2021. This research tested a multiple linear regression model, using the SPSS tool. This research's sample selection criteria are based on the non-cyclical consumer sector for the 2019-2021 period. This selection is based on sector characteristics that tend to show stability in their financial performance regardless of fluctuations in the economic cycle. The research selected companies in this sector listed on the Indonesian Stock Exchange (BEI) during that period. Focusing on the non-cyclical consumer sector allows research to analyze investment efficiency in stability, where companies tend to show more consistent performance. Thus, this research hopes that this sample selection will provide better insight into how financial report quality variables, and good debt maturity affect investment efficiency in the relatively stable environment of the non-cyclical consumer sector during the 2019-2021 period.

The enterprises chosen for this study exhibit the following distinct criteria: Non-cyclical consumer sector organizations listed on the Indonesia Stock Exchange (IDX) within the temporal parameters of 2018 to 2022. (5 years) for the variable about the quality of financial reporting. Non-cyclical consumer sector enterprises publicly traded on the IDX during the 2019-2021 timeframe (3 years) for the variable concerning company size and debt maturity. Non-cyclical consumer sector enterprises that maintained their listing on the IDX throughout the 2018-2022 timeframe. Non-cyclical consumer sector enterprises that have consistently submitted financial reports on the IDX over the 2018-2022 timeframe. Non-cyclical consumer sector enterprises that have persistently presented financial reports on the IDX throughout the 2018-2022 timeframe.

The demographic examined within this research comprised 122 entities from the non-cyclical consumer sector publicly traded on the IDX from 2019 to 2021, employing purposive sampling as the methodological approach. Following the established criteria for sampling, the number of companies sampled in this research was 43. The requirements for sampling are non-cyclical consumer sector companies registered on the IDX for the 2018-2022 period, non-cyclical consumer sector companies that do not use foreign currency and non-cyclical consumer sector companies with complete financial reports. Meanwhile, the observations used in this research were for three years, namely 2019-2021. So the total data used as a sample in this study was 132. The following is the equation of multiple linear regression in this study, namely:

$$Y= a + b1X1 +b2X2 +b3X3$$

Information:

Y	=	Investment Efficiency
X1	=	Accrual Quality
X2	=	Accounting Conservatism
X3	=	*Debt Maturity*
a	=	Constants

RESULT AND DISCUSSION

The focus of this investigation pertains to the sector of consumer non-cyclical corporations that are publicly traded on the Indonesia Stock Exchange during the period spanning from 2019 to 2021. Consumer non-cyclicals sector companies are primary consumer goods sector companies, including enterprises that manufacture or disseminate products and services typically marketed to consumers for essential goods, thereby rendering them relatively insulated from fluctuations in economic growth. For example, primary goods retail companies, food stores, and drug stores. The sample in this study that met the criteria comprised 32 companies. Several tests were conducted to determine the feasibility of the data, among others.

Normality Test

The assessment of normality aims to determine whether the confounding variables or residuals within the regression framework conform to a normal distribution (Ghozali, 2018). The normality assessments employed in this investigation include the Probability Plot (P-P) normality test and the Kolmogorov-Smirnov (K-S) non-parametric statistical test. Following the successful completion of the normality evaluations with the results:

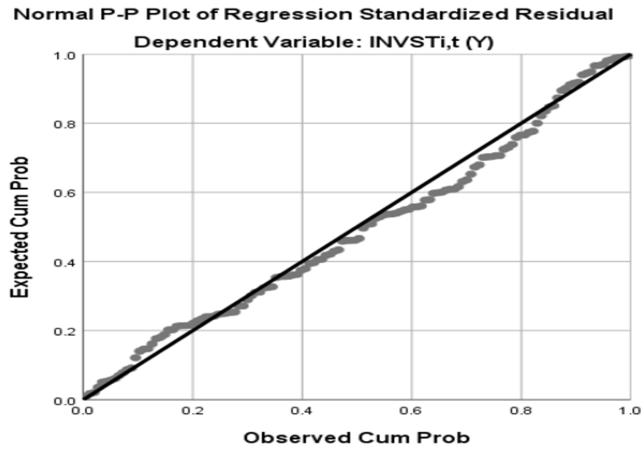

Figure 2. PP Normality Test

Autocorrelation Test

The autocorrelation test seeks to determine if there is a relationship between the error disturbances in the current period and those in the preceding period within the regression model. (Ghozali, 2018).

Table 1. Model Summary

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.274[a]	.075	.053	.02375780	1.616

a. Predictors: (Constant), NOAC (X3), WCA (X1), StDebt (X2)

b. Dependent Variable: INVSTi,t (Y)

Source: Data processed, 2024

Based on the value of K = 3 and N = 132, the du value for this regression model shown in the Durbin-Watson table with a value of α = 5% then the du value is obtained as 1.7691. The Durbin Watson value in this regression model is between the du statistic and (4-du) which is 2.2309. Therefore, it can be stated that this regression model does not exhibit autocorrelation symptoms between one residual variable and another (1.7691 <1.616<2.2309).

Mulitycollinearity Test

The general value used is a tolerance value of 0.10 or equal to a VIF value > 10, so data unaffected by multicollinearity must have a tolerance value < 0.10 or VIF > 10.

Table 2. Mulitycollinearity Test

Coefficients								
Unstandardized Coefficients				Standardized				
				Coefficients			Collinearity Statistics	
Model		B	Std Error	Beta	t	Sig	Tolerance	VIF
1	(Constant)	-0.034	0.005		-6.491	0		
	WCA (X1)	0.039	0.015	0.226	2.587	0.011	0.948	1.055
	NOAC (X2)	0.009	0.001	0.099	0.962	0.338	0.687	1.456
	StDebt (X3)	0.004	0.004	0.104	0.996	0.321	0.664	1.506

WCA has a tolerance value > 0.10 which is 0.948 and a VIF value <10 which is 1.002. NOAC has a tolerance value > 0.10 which is 0.664 and a VIF value <10 which is 1.003. At the same time, debt maturity has a tolerance value > 0.10, 0.687, and a VIF value <10, 1.003. It can be concluded that there is no multicollinearity present among the variables.

Heteroscedasticity Test

The heteroscedasticity test aims to test for differences in residual variance between observations (Ghozali, 2018).

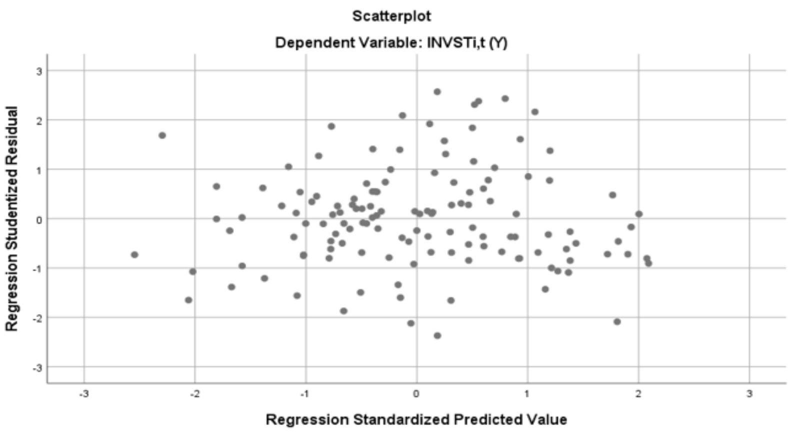

Figure 3. Heteroscedasticity Test

The data points within this regression paradigm exhibit a distribution encompassing values superior and inferior to the baseline of 0 on the Y-axis. Therefore, one can deduce that the independent variables integrated into this study's regression model lack heteroscedasticity.

Hypotesis Test

Multiple Linear Regression Test

Then, the examination was conducted using a multiple linear regression analysis to determine the degree to which the independent variable influences the dependent variable and the capacity to predict the value of the dependent variable, assuming all values of the independent variables are accessible. The findings of the multiple linear regression analysis are presented in the subsequent table:

Table 3. Multiple Linear Regression Test

		Unstandardized Coefficients	
Model		B	Std Error
1	(Constant)	-0.034	0.005
	WCA (X1)	0.039	0.015
	NOAC (X2)	0.004	0.04
	StDebt (X3)	0.009	0.01

Based on the table as mentioned above, the multiple linear regression model that has been established is delineated as follows:

$$\textbf{Invst= -0.034 + 0.039WCA +0.004NOAC+0.009StDebt}$$

From the above multiple linear regression equation, the following interpretation can be derived:

a) The constant term (α) of -0.034 indicates that, assuming the independent variables—specifically the quality of financial reporting, organisational scale, and debt maturity—remain unchanged. The magnitude of investment efficiency is -0.032.
b) The variable of financial report quality accrual quality exhibits a coefficient value of 0.039, characterised by a positive coefficient. This positive coefficient value suggests a unidirectional relationship between the independent variable, specifically the quality of financial reports, and the dependent variable, investment efficiency; whereby an enhancement in financial reports correlates with an increase in investment efficiency.
c) The variable representing Accounting Conservatism exhibits a coefficient value of 0.004, characterised by a positive coefficient. A positive coefficient value signifies a unidirectional relationship between the independent variable, specifically Accounting Conservatism, and the dependent variable, investment efficiency, wherein an augmentation in the firm's size correlates with an enhancement in investment efficiency.
d) The variable about debt maturity presents a coefficient value of 0.011, with a positive coefficient. This positive coefficient value elucidates a unidirectional relationship between the independent variable, identified as debt maturity, and the dependent variable, investment efficiency, whereby an increase in the debt maturity value leads to a corresponding increase in the investment efficiency value. This implies that a unit increase in debt maturity will yield an increment in investment efficiency quantified at 0.013.

Partial Test

In terms of its influence, regression testing utilizing the t-test with the taking after comes about:

Table 4. Regression

Coefficients					
Unstandardized Coefficients					
				Collinearity Statistics	
Model		t	Sig	Tolerance	VIF
1	(Constant)	-6.491	0		
	WCA (X1)	2.587	0.011	0.948	1.055
	NOAC (X2)	0.962	0.338	0.687	1.456
	StDebt (X3)	0.996	0.321	0.664	1.506

The financial report quality accrual quality variable in this regression has a t-value of 3.114 with a significance level of 0.002. The T-value in the variable of financial report quality is greater than the t-table, namely 3.114> 1.9773 and a significance value of 0.011 <0.05. This shows that accrual quality exerts an influence on the efficacy of investment. The findings suggest that elevated accrual quality may facilitate firms in judicious and efficiently executing investments. The caliber of financial statements can mitigate information asymmetry within the organization. When financial reports are presented accurately and transparently, investors can make more efficient investment decisions. Accurate and reliable information in financial reports helps investors evaluate company performance, investment risk, and general growth prospects. The Accounting Conservatism variable in this regression has a Tcount value of 0.996 with a significance level of 0.321. The Tcount value in the large company size variable from Ttable is 0.996 <1.9773 and a significance value of 0.321> 0.05. This shows that Accounting Conservatism does not affect investment efficiency.. The debt maturity variable in this regression has a t-value of 1.754 with a significance level of 0.082. The T-value for the variable of debt maturity exceeds the threshold established by the t table, specifically 1.754 < 1.9773, accompanied by a significance level of 0.082 > 0.05. This indicates that debt maturity does not exert an influence on investment efficiency. The findings of this research are corroborated by agency theory, which elucidates the dynamics between two entities, namely agents and principals. Agents serve as the parties directly engaged in the operational activities of the corporation. and have more information certainly must oversee the utilization of the company's indebtedness in a manner that is advantageous for the principal is paramount. The employment of short-term debt is accompanied by inherent risks, especially if the company cannot renew the debt or interest rates rise. If companies cannot manage short-term debt properly, it can disrupt their financial stability and affect investment efficiency, which is not good.

High accrual quality can assist organisations in executing investments judiciously and effectively. Superior quality financial statements can also mitigate information asymmetry within the organization. The results of this study are supported by the principles of agency theory, which elucidates the dynamics between two entities, specifically agents and principals. Elevated accrual quality can aid in diminishing information asymmetry between stakeholders and management. Financial statements can enhance stakeholders' comprehension of organizational performance and promote improved decision-making processes by delivering precise, pertinent, and dependable information. Accrual Quality contributes to increasing investment efficiency. Higher accrual quality will help managers make investment decisions with better project identification (Bushman & Smith, 2001; McNichols & Stubben, 2008). The results are in line with the results of research conducted (Amrullah & Fatima, 2013; Christine & Yanti, 2017; Rahmawati & Harto, 2014) which also found the empirical evidence suggests that accrual quality exerts a positive and statistically significant influence on the efficiency of investments. These findings imply that elevated levels of accrual quality may help organizations execute their investment strategies in a manner that is both appropriate and efficient.

This study on the H2 hypothesis is supported by agency theory, which elucidates the dynamics of the interaction between two entities, namely agents and principals. Agents as parties who are directly involved in the company's operations and have more information certainly have the responsibility to manage assets so that they are also profitable for the principal. It shows that accounting conservatism tends to slow down or delay revenue recognition and recognise losses more quickly, thus creating a more cautious picture of a company's financial health. Although this can affect financial statements, accounting conservatism does not directly affect investment efficiency because it affects growth prospects. The results align with research conducted by Patricia & Rusmanto, (2022) which stated that accounting conservatism does not exert a considerable influence on the efficacy of investment.

Short-term debt is also risky, especially if the company cannot renew the debt or if interest rates rise suddenly. If companies cannot manage short-term debt well, it can disrupt their financial stability and affect investment efficiency, which is not good. This is supported by the theory proposed by Sukirno (2006), who states that interest rates mainly determine investment. If interest rates are high, the amount of investment will decrease, conversely, if interest rates are low, it will encourage more investment. The findings from this investigation align with prior research conducted by Rahmawati and Harto (2014), which indicates that debt maturity does not exert a statistically significant influence on investment efficiency. Using short-term debt fails to enhance investment efficiency due to Indonesia's comparatively elevated interest rates in contrast to those observed in foreign markets.

CONCLUSION

Based on the thorough examination of statistical outcomes and data assessment that has been performed, it can be inferred that the quality of financial disclosures considerably affects investment efficiency among non-cyclical consumer sector firms listed on the Indonesia Stock Exchange. In contrast, the duration of debt does not significantly influence investment efficiency within non-cyclical consumer sector companies listed on the Indonesia Stock Exchange. These results imply that enhanced accrual quality can aid organizations in executing investments in a manner that is both suitable and efficient. Moreover, superior quality of financial reporting can alleviate information asymmetry within the organization.. The outcomes of this research are substantiated by agency theory, which elucidates the dynamics between two entities, specifically agents and principals. Enhanced accrual quality can assist in diminishing information asymmetry between proprietors and management. Accounting conservatism does not affect investment efficiency because it affects growth prospects, risks, and macroeconomic factors. Although accounting conservatism can affect investor and creditor perceptions of a company's financial stability, a company's intrinsic value depends more on its ability to generate sustainable profits and sustainable growth in the future. There are other factors that investors should consider when assessing accounting conservatism in a company. Investors do not see the accounting conservatism applied by the company, so the stock market price does not increase, resulting in the principle of accounting conservatism not affecting investors' assessment of the company. Short-term debt is also risky, especially if the company cannot renew the debt or if interest rates rise suddenly. If companies cannot manage short-term debt well, it can negatively disrupt their financial stability and affect investment efficiency. The theory supports this, as suggested by Sukirno (2006), who states that interest rates mainly determine investment. If interest rates are high, investment will decrease; conversely, if interest rates are low, it will encourage more investment.

This research only examines the financial sector and also only one sector as the object of this research, where it would be better for this research also to test how investment efficiency is in other sectors listed on the Indonesia Stock Exchange. Also, time limitations cause this research only to examine research from 2019-2021. Future researchers are expected to be able to conduct tests on other sectors and the financial company sector listed on the Indonesian Stock Exchange to provide different and more accurate results. It is hoped that it will be able to add other independent variables related to investment efficiency as seen from other sectors, such as internal companies apart from financial reports, and external sectors, such as the impact on regulations in force in Indonesia, so that it can provide different and more accurate results.

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