

## **LAPORAN PENELITIAN**

# **The Influence of Profitability, Liquidity, and Company's Growth to The Acceptance of audit opinion Going Concern**



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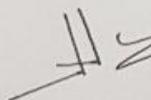
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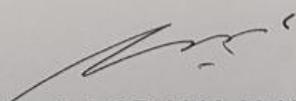
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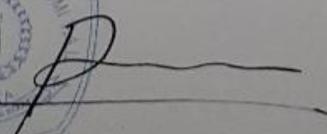

( Dr. Sudjono., M.Acc )

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**KRITERIA PENILAIAN USULAN PENELITIAN**

No	Kriteria	Acuan	Nilai Maks	Nilai
1	Kejelasan Perumusan Masalah	- Kontribusi pada Keilmuan	15	15
		- Tinjauan Pustaka		
		- Perumusan Masalah		
2	Orientasi Penelitian	- Sesuai tema dengan Judul	25	15
		- Orisinalitas		
		- Kemuktakhiran		
3	Rekam Jejak ( Track Record) dari Peneliti Utama	- Kesesuaian penelitian dengan rekam jejak dari peneliti utama	5	10
4	Metode Penelitian	- Pola pendekatan ilmiah	15	15
		- Kesesuaian Metode		
5	Luaran Penelitian	Hipotesis Baru	10	10
		Metode Baru	10	5
		- Materi Baru	10	5
		- Informasi / Desain Baru		
6	Kelayakan Sumberdaya	- Peneliti	10	10
		- Teknisi		
		- Laboratorium dan Peralatan		
		- Rencana Jadwal Kerja		
		- Rencana Biaya		
Jumlah			100	85

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( Dr. Sudjono., M.Acc )

## **ABSTRACT**

*The aim of in this study was to examine empirically the influence of profitability ratios (ROA), liquidity ratios (CR) and growth of the company (NS) on a audit going concern opinion on consumer goods industry sector manufacturing company in Indonesia as case research from 2011 until 2013. Audit opinion was measured by value of scala total assets.*

*The study was conducted in 21 of 37 industrial consumption manufacturing goods listed company in Indonesia Stock Exchange (IDX), selected through a purposive sampling techniques to be used as sample in this research. The level of audit going concern opinion employed multi-regression analysis method. Employing the multi-regression analysis method is processed by Eviews 9.0.*

*The results of statistical test proved that the profitability has no a significant effect to the acceptance of audit going concern opinion. The liquidity has no a significant effect to the the acceptance of audit going concern opinion. The company's growth has a significant effect to the the acceptance of going concern audit opinion.*

*Finally, the research revealed for the next researchers should be using index ratio and size with internasional standard. Enlarge the sample by using all corporation which listed in Indonesia Stock Exchange. For the next researchers can prolongthe time-range of research to get more varian of sample.*

*Keywords: going concern opinion, scala of total assets, profitability ratios, liquidity, growth companies*

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# CHAPTER I

## INTRODUCTION

### A. Research Background

Since the monetary crisis that continues with the economic and political crisis in mid-1997 until now, have a significant impact on the development of the business world in Indonesia. The economy experienced a downturn, so many flailing company can not continue its business. Not only small companies are bankrupt, but also not a few large companies that eventually closed.

When the economy is something uncertain, investors expect the auditors give an early warning of failure of financial firms (Chen and Church Januarti 1996 in 2007). Therefore, auditors are very reliable in delivering a good financial statement information for investors (Levitt, 1998, in Fanny and Saputra, 2005). Auditors also responsible for assessing whether there is substantial doubt on the company's ability to survive (going concern) in the time period of not more than one year from the date of the audit report (SPAP seksi341,2001). The auditor should express explicitly whether the client company will be able to survive until a year later after reporting (AICPA, 1988 in Januarti, 2007).

Opinion given a statement fairness in all material respects on the financial position, results of operations and cash flows in accordance with accounting principles generally acceptable. The opinion paragraph in the audit report clearly states that the award is an opinion, and not an absolute statement or guarantee. The auditor's responsibility lies in the opinions given and the contents of the audited financial statements are the responsibility of the management completely.

There are five types of opinions that can be provided by the auditor following completion of auditing the financial statements of client companies (PSA 29, 2001, : 10), that opinion is Unqualified opinion, Unqualified with emphasis matter, Qualified opinion, Adverse opinion, and Disclaimer opinion.

However, under conditions of uncertainty such as the auditor was asked to evaluate the management plan to address the financial difficulties before deciding to leave a going concern opinion. Auditors need to be cautious in making decisions that opinion as a going concern opinion received by the company is a signal that there is doubt over the sustainability of the company auditor.

Audit Opinion Going Concern is the opinion issued by the auditor to determine whether the company can maintain its viability (SA Sections 341, 2011). According Praptitorini and Januarti (2007), the survival of the business is always connected with the ability of management to manage the company in order to survive as long as possible. In accordance SA

Section 341 paragraph 06, in consideration for the granting of audit opinion going concern the auditor identifying information about the conditions or events that indicate the presence of a big doubt about the entity's ability to maintain its viability in a reasonable time period.

In section 341 paragraph 13 explained that when auditors doubt the ability of an entity regarding its viability (going concern), the auditor should add an explanatory paragraph or language in the audit report. The audit report with a going concern modification indication that the risk to the auditee can not last long. According to Venuti (2007), audit opinion going concern would undermine confidence of shareholders and creditors of the company. Thus, it indicates that administration of audit opinion going concern may affect the financing activities of the company, therefore, the auditor should consider and be responsible for his decision to leave a going concern audit opinion.

One of the considerations that need to be considered by the auditor to give a audit opinion going concern is to predict whether the auditee will be bankrupt or not (Januarti and Fitriasari, 2008). It can be seen from the profitability and the company's activities. Profitability showed profits from the company during a certain period (Januarti and Fitriasari, 2008) while the company's activities showed how effectively the company is able to manage its assets in its operations. If the profitability ratios and the ratio of corporate activity is high then the company is considered still capable of running and profitability so as to avoid

financial difficulties that can lead to the appearance of audit opinion going concern .

Audit opinion going concern issued by the auditor is very useful for users of financial statements. With a published opinion, investors can assess the state of a company which is very helpful before making an investment decision. Likewise with the creditors in the decision to provide credit facilities.

The negative impact caused by issued audit opinion going concern on the company is the drop in stock prices, difficulties in raising capital loan, the distrust of investors, creditors, customers, and employees of the management company. The loss of public confidence in the company's image and the company's management will give very significant impact on the sustainability of the company's business in the future. Worsening corporate image as well as the loss of confidence of creditors would make it difficult for companies if the company will require additional funding in order to finance its business operations. So also with the customer, the customer will result in the loss of the company's business interruption. If the company does not immediately take action handling the bankruptcy of the business will actually happen.

According to Keown (2004: 32) "income or profit derived from the company's net income reduced by expenses incurred during the period in question." So the profit is the end result of company performance. Companies that are able to produce profits referred to by companies that

are profitable. Brigham and Houton (2001: 89) states profitability is the net result of a series of policies and decisions. Meanwhile, according to Muhammad (2007) the company's profitability is one way to accurately assess the extent of the rate of return that will get investors from investment activities. Investors have a number of expectations for a return on investment. The refund would clearly illustrated in the performance of the company.

Profitability is the company's ability to generate profits. Profitability in this study is proxied by Return On Assets (ROA). ROA illustrates the company's ability to generate profits by using total assets or total assets owned by the company within a certain period. Companies that have a negative value in the period ROA consecutive time will trigger a going concern problem, because the negative ROA means that the company suffered a loss and this will disturbing the sustainability of the company.

Liquidity is defined as the company's ability to pay short-term obligations. Definition of liquidity according to Subramanyam (2010: 10) is the company's ability to generate cash in the short term to meet its obligations and relies on the company's cash flow as well as components of assets and its current liabilities. Meanwhile, according to Ahmad (2004: 2) in Retno (2011) Liquidity is defined as easy to convert an asset into cash transaction costs are low enough. Companies that have a "power split" big enough to meet all the financial obligations that must be met

immediately, it is said that the company is liquid and vice versa companies that do not have the power to pay the said company is illiquid.

According to Brigham and Houston (2010: 134) the level of liquidity can be measured by the current ratio (current ratio). Current ratio is the company's ability to meet its short term obligations entire current assets owned by the company. The higher the current ratio, the greater the company's ability to meet short-term term financial obligations. The level of liquidity is a ratio that measures the company's ability to meet its short-term liabilities to short-term creditors (Hanafi, Mamduh and Abdul Halim, 2007) in Rinny (2011). The level of liquidity is considered as an important indicator of overall health, because to see the health of a company, which was first seen is the liquidity level in advance. This is because the level of liquidity measures the ability of the company's cash resources to meet short-term liabilities (Wild, et al., 2005; 38). In conjunction with liquidity liquidity smaller, less liquid companies that can not pay its creditors, the auditor may provide an audit opinion with a going concern. Not infrequently companies that consistently suffered operating losses have working capital is very small when compared to total assets (Altman, 1968) in Komalasari (2004). While liquidity relationships with the audit opinion is a small Makin liquidity, less liquid companies because a lot of bad loans so that the audit opinion should give a description of the going concern.

A company that has a positive income growth has a tendency to be a going concern. Revenue profit that could be achieved by the company will be used to fund the company's survival. As finance the company's operations, provide dividends for investors, fund or add lines of business, to pay its obligations on the part of creditors. As described Altman (1968) in Petronela (2004) that companies that have no earnings will be bankrupt.

Sales growth is the change in sales in the financial statements annually. Sales growth above the average for a company in general is based on the expected rapid growth of the industry in which it operates. Companies can achieve growth rates above the average by increasing the market share of the overall industry demand. The analysis in calculating the sales growth is done by calculating the growth rate of sales in the compound at the time of studying the long-term trend in terms of sales and other variables. (According Fabozzi, 2000).

The company's growth can be seen from how well the company maintain its economic position in the industrial and overall economic activity. Companies that have a high profit growth is likely to have a reasonable report, so the potential to get a good opinion will be greater. Sales growth companies shows the growing power of the company in its operations.

Sales growth indicates the company's ability to maintain its survival. A company that has a positive sales growth has a tendency to be a going concern (going concern).

The results of previous studies that produce different results and suggestions previous researchers to further research gives reason to reexamine the factors that affect the going concern audit opinion. Going concern audit opinion which affects the appearance of the negative opinion of the users of financial statements of the company is an interesting topic to be studied.

The company used as a study sample is limited to manufacturing companies, just use consumer goods industry sector. This is done to maintain homogeneity of the data. The period of time used in obtaining the data in the study was 2011-2013.

Based on these descriptions, the researchers intend to conduct research on **" THE INFLUENCE OF PROFITABILITY, LIQUIDITY, AND COMPANY'S GROWTH TO THE ACCEPTANCE OF AUDIT OPINION GOING CONCERN (Empirical Studies on Consumer Goods Industry Sector of Manufacturing Companies Listed in Indonesia Stock Exchange Period 2011-2013). "**

## **B. Identification of Problem**

Based on the research background explained above, identification of problems in this research is as follows:

1. There is an influence of ROA to Profitability.

2. There is an influence of Current Ratio to Profitability.
3. There is an influence of Working Capital to Liquidity.
4. There is an influence of Cash Flow to Liquidity.
5. There is an influence of Net Sales to Company's Growth.
6. There is an influence of Total Assets to Audit Opinions Going Concern.
7. There is an influence of Profitability to Audit Opinions Going Concern.
8. There is an influence of Liquidity to Audit Opinions Going Concern.
9. There is an influence of Company's Growth to Audit Opinions Going Concern
10. There are an influence of Profitability, Liquidity, and Company's Growth to Audit Opinions Going Concern.

### **C. Scope of Problem**

The scope of the study means to gain an understanding of this research is directed and not to deviate from the existing problems, so there is no discussion or exceed extends from the case study. This research uses descriptive research, this study aims to analyse the causal relationship that is used to describe the influence of the independent variables, profitability ratio, and liquidity ratio of revenue, and company's growth to audit the dependent variable going concern audit opinions.

## **D. Statement of Problem**

Based on the background and scope of research, the problems in this research are :

1. Does profitability the effort of audit opinions going concern?
2. Does liquidity the effort of audit opinions going concern?
3. Does company's growth the effort of audit opinions going concern?
4. Do profitability and liquidity, and company's growth influence the effort of audit opinions going concern?

## **E. Research Objective**

The purposes of this research are :

1. To analyze profitability to the effort of audit opinions going concern.
2. To analyze liquidity to the effort of audit opinions going concern.
3. To analyze company's growth to the effort of audit opinions going concern.
4. To analyze the influence of independent variables (profitability, liquidity, and company's growth) to the effort audit opinions going concern (dependent variable).

## **F. Research Benefit**

### **1. Theoretical Aspects**

This research provides empirical evidence on profitability, liquidity, and company's growth to the effort of audit opinion going concern. Besides that, this research can also enrich the reference materials for future research.

## **2. Practical Aspect**

For author, this research adds the author's knowledge and author's analyze ability about the influence of profitability, liquidity, and company's growth to the effort of audit opinion going concern.

For the development of theory and knowledge in the field of accounting, primarily related to audit opinions going concern.

For practitioners of issuers, mainly managers by looking at the effect of profitability, liquidity, and company's growth to the going concern audit opinion, so that facilitate management in decision making relating to economic benefits in the future also in maintaining and developing the business planning (business plan).

For accounting students, the result of this research is expected to be a source of information for students majoring in accounting to conduct future research.

## **G. Systematic Writing**

### **CHAPTER I INTRODUCTION**

This chapter explains background of research, identification of problem, scope of problem, statement of problem, research objective, research benefit and systematic writing.

## CHAPTER II THEORITICAL BACKGROUND AND HYPOTHESIS

This chapter described the underlying material of this writing, so as theory and previous research to support research to be carried out, conceptual framework and hypotheses put forward in this research.

## CHAPTER III RESEARCH METHOD

This chapter provides description of operational and research variables, population and sampling technique, types and sources of data collected, data collection methods and data analysis methods.

## CHAPTER IV RESULTS AND DISCUSSION

This chapter describes description of research object consists of general overview of sample and results of data processing as well as interpretation of research results.

## CHAPTER V CLOSING

This chapter provides research conclusions, limitations and suggestions for future research.



## **CHAPTER II**

### **LITERATURE REVIEW AND HYPOTHESIS**

#### **A. Audit Opinion**

##### **1. Agency Theory**

Jensen and Meckling (1976) describe the agency relationship as a contract under one or more principal involving an agent to perform some service for them by delegating decision-making authority to the agent. Neither the principal nor the agent assumed the rational economic and solely motivated by personal interests. Shareholders or the principal delegate decision-making on the company managers or agents. However, managers do not always act according to the desire of shareholders, in part because of the presence of moral hazard.

It takes an independent third party as a mediator in the relationship between principal and agent. This third party is used to monitor the behavior of the manager (agent) is already bertidak accordance with the wishes of the principal. Auditor is deemed capable of bridging the interests of the principals (shareholders) with the manager (the principal) in managing the corporate finance (Setiawan, 2006).

Auditors perform monitoring functions via a manager's work means that the annual report. The task of the auditor is to give an opinion on these financial statements. In addition, the current auditor will also have to consider the company's survival.

## **2. Definition Of Audit Opinion**

Audit opinion is an important part of information submitted by the auditor when auditing the financial statements of a company that focuses on the fit between the financial statements with generally acceptable accounting standards (Solikah, 2007). Public Accounting Professional Standards (SPAP) requires that a report be made every time KAP associated with the financial statements.

Auditor has the responsibility to assess whether there is substantial doubt on the ability of a business to maintain its viability in a reasonable period of time. Financial statement audit opinion is one of the important considerations for investors in determining investment decision. Therefore, the auditor has a responsibility to assess whether there is substantial doubt on the ability of a business to maintain its viability in a reasonable period of time. By the time the auditors established that there is no doubt that bound to the client's ability to continue its business as a going concern, the auditor is allowed to choose whether to issue unqualified modified report or disclaimer opinion.

The auditor may choose the type of opinion to be expressed on the audited financial statements. Type these opinions are unqualified opinion, unqualified opinion with an explanatory language, qualified opinion, an adverse opinion and a disclaimer of opinion (Mulyadi, 2002: 20) as follows :

### **1) Unqualified Opinion**

With an unqualified opinion, the auditor stated that the financial statements present fairly in all material respects in accordance with generally acceptable accounting principles in Indonesia.

The audit report with an unqualified opinion issued by the auditor if the following conditions are met:

- a. All of the balance sheet, income statement, statement of changes in equity and cash flow statement included in the financial statements.
- b. In the implementation of the engagement, all common standards can be met by the auditor.
- c. Sufficient evidence can be collected by the auditor, and the auditor has conducted the engagement in a way that allows to carry out the three standard field work.
- d. The financial statements are presented in accordance with generally acceptable accounting principles in Indonesia.

- e. There is no situation that requires the auditor to add an explanatory paragraph or modification of the words in the audit report.

## **2) Unqualified Opinion with Explanatory Language**

In certain circumstances, the auditor add an explanatory paragraph (or other explanatory language) in the audit report, although it does not affect an unqualified opinion on the audited financial statements. Included an explanatory paragraph following the opinion paragraph.

The situation is a major cause of adding an explanatory paragraph or modification of words in the standard audit report are:

- a. Inconsistency in the application of accounting principles generally acceptable.
- b. Major doubts about the survival of the entity.
- c. Auditor agree with a deviation from the accounting principles issued by the Financial Accounting Standards Board.
- d. Emphasis on a case
- e. The audit report involving another auditor.

## **3) Qualified Opinion**

A qualified opinion is given if the auditee's financial statements present fairly, in all material respects in accordance with generally acceptable accounting principles in Indonesia, except for the effects of matters that are excluded.

A qualified opinion expressed in the state:

- a. The absence of sufficient competent evidence or restrictions on the scope of the audit.
- b. Auditors believe that the financial statements contain departures from generally acceptable accounting principles in Indonesia, which have a material impact, and he concluded not to express an opinion is not reasonable.

#### **4) Adverse Opinion**

The opinion given by the auditor is not fair if the auditee's financial statements do not present fairly the financial statements in accordance with generally acceptable accounting principles.

#### **5) Disclaimer of Opinion**

Auditor expressed no opinion if he does not perform an audit which has scope sufficient to enable the auditor gives an opinion on the financial statements. This opinion is also given if he is in a state independent of the client.

Going concern opinion is a term used Mutchler (1986), Ramadhany (2004) and Rahayu (2006) for the audit opinion other than an unqualified opinion (unqualified opinion).

There are five conditions that cause deviations from an unqualified opinion, namely:

**a. Scope of Audit Limited**

Examples of restrictions by the client is not allowed to confirm the auditor debts or are not allowed to inspect certain assets owned by the client. While examples of the restrictions caused by circumstances beyond the power of the auditor and the client is difficult to perform a physical examination of assets because the location can not be reached due to floods or other disasters.

**b. The financial statements are examined not in accordance with generally accepted accounting principles in Indonesia.**

Examples of these conditions is if the client is not willing to change the policy notes the value of fixed assets based on the price of the replacement (replacement cost) rather than historical prices (historical cost) required by accounting principles generally accepted in Indonesia.

Or clients assess its inventory based on the selling price (selling price) rather than historical prices or prices lower of historical price and the market price (cost or market whichever is lower).

**c. The accounting principles applied in the financial statements are not applied consistently.**

If the client to replace a treat accounting principles with other accounting principles, such as changing the method of recording the inventory of the First In First Out (FIFO) to the Last In First Out (LIFO), the change should be stated in the audit report. Even if the change of use is approved by the auditor, remains unqualified opinion can not be justified.

**d. There is some uncertainty meterial affecting the financial statements which can not be predicted continuation at the time the audit report is made.**

Examples of these conditions is the possibility of lawsuits to clients unresolved until the completion of field work by the auditor.

**e. Auditors are not independent.**

It is most certainly not allowed to give an unqualified opinion. Independent auditor issue expressly provided in the auditing standards.

The importance of the audit report relating to the going concern of the company is to provide early warning to shareholders in order to avoid mistakes in decision-making. It has been stipulated in the PSA 29, paragraph 11 which states that the great doubts about the ability of the business unit continued survival (going concern) is a condition that requires the auditor to add an explanatory paragraph in the audit report, although not affect unqualified opinion.

Akers et al. (2003) states that the auditor was not asked to perform a special audit procedures to determine their doubts about the company's ability to maintain its business. Audit procedures performed similarly to other audit procedures, such as analytical procedures, a review of companies' compliance with debt covenants.

In performing audit procedures, the auditor is responsible for evaluating the conditions and events that may give rise to doubts greatly to the company's ability to sustain life (PSA 30) such as, among others, the negative working capital, operating loss, operating cash flow is negative, poor financial ratios importantly, the prosecution / litigation, loss of key management.

Consistent with the findings Mutchler (1984) which examined the perception of the auditor of the decision-making going concern opinion, the results show that most auditors do not perform a special audit procedures to detect any problems going concern.

## **B. Audit Opinion Going Concern**

Going concern is the survival of an entity. With a going concern then the entity will be able to maintain its business in the long run, will not be liquidated in the short term. With modifications of audit reports going concern is an indication that the auditor's judgment there is a risk auditee cannot stay in business (Setyarno et al, 2006). SPAP PSA30 (2001) stated that the going concern audit opinion is an opinion issued by auditor to evaluate if there is doubt about the ability of the entity in order to survive. Expenditure going concern audit opinion is useful for users of financial statements in making the right decision in investing. Arens et al (2008:66) stated that although the audit objective is not to evaluate a company's financial health, but the auditor has a responsibility to evaluate whether the company has the possibility to keep continuity.

Mutchler (1985) states that there are several criteria for companies that will receive the audit opinion going concern, among other companies that have a problem with revenues, reorganization, failure to pay interest, received a going concern opinion prior year, is in the process of liquidation, has a negative net income, negative cash flow, employment income is negative, negative working capital, a loss for 2 to 3 years in a row and the number of retained earnings are negative.

Going concern is one of the most important concepts that underlie financial reporting (Gray and Manson, 2000). The main responsibility of the director is to determine the feasibility of the preparation of financial statements using the going concern basis and the auditor's responsibility to convince himself that the basic use of the going concern by the company is viable and adequately disclosed in the financial statements (Setiawan, 2006).

According Belkaoui (1997) going concern is a proposition that states that the entity will continue to run its operations in a period of time long enough to realize the project, the responsibilities as well as its activities were not stopped. With the going concern then an entity is considered to be able to maintain its business operations in the long term, will not be liquidated (for corporate banking) in the short term (Komalasari, 2004).

Hani et. al. (2003) in Kartika (2012) defines a going concern is the survival of a body entity or business entity. Going concern is also known as continuity accounting estimates that a business will continue indefinitely (Syahrul, 2000). If the auditor concludes that there is substantial doubt about the entity's ability to maintain its viability, the auditors give an unqualified opinion with an explanatory paragraph, regardless of the disclosures in the financial statements (Mulyadi, 2008). In this case the auditors give going concern audit opinion.

According to Altman and McGough (1974) issue of going concern is divided into two, namely financial problems include a shortage (deficiency) liquidity, deficiency of equity, non-payment of debts, the difficulty of obtaining funding, and operation issues covering operating losses continuously, the earnings outlook is dubious , operational capacity is threatened, and weak controls over operations. Audit report to the modification of the going concern indicate that the auditor's assessment of the risks the company is not able to stay in business. The auditor should consider the results of operations, economic conditions affecting the company, the ability of repayment and liquidity needs in the foreseeable future (Lenard et al., 1998).

Arens (1997) suggests several factors that create uncertainty about the viability of the company is:

- 1) Losses great effort repeatedly or lack of working capital.

- 2) The inability of a company to pay its obligations at maturity in the short term.
- 3) Loss of key customers, uninsured disaster such as an earthquake or flood or labor issues are not uncommon.
- 4) The lawsuit, lawsuit or similar problems that have occurred that could jeopardize the company's ability to operate.

When doubts about the survival of the business actually exists, the auditor shall consider to issue a going concern audit opinion. SA Section 341, PSA No. 30 (SPAP 2011) state the reasons for the auditor to issue a going concern audit opinion on the continuity of the business entity. According to the SPAP audit opinion included in the opinion of a going concern (GC) was unqualified with explanatory language / emphasis of matter paragraph, qualified opinion, an adverse opinion and disclaimer opinions. Here is a guide for auditors to issue a going concern opinion (SPAP, 2011).

- 1) If the auditor believes there are doubts about the ability of the business unit continued survival within a reasonable period of time, the auditor should obtain information about the management plan that was shown to reduce the impact of such events and conditions and establishes the possibility that the plan is effectively implemented.

- 2) If the management has no plans to reduce the impact of conditions and events on the ability of the business unit continued survival, the auditor maintains to give a statement does not give an opinion (disclaimer opinion).
- 3) If the management plans to reduce the impact of conditions and events above, the auditor concluded (at its discretion) on the effectiveness of the plan:
  - a. If the auditor concludes that the plan is not effective, then the auditor expressed no opinion (disclaimer opinion).
  - b. If the auditor concludes that plan effectively and clients disclose in the notes to the financial statements, the auditors expressed unqualified opinion with emphasis of matter paragraph.
  - c. If the auditor finds the plan is effective but the client did not disclose in the notes to the financial statements, the auditors give opinions unnatural (qualified / adverse opinion).

Public Accountants Professional Standards (SPAP) provides guidance that the auditor should evaluate whether there is substantial doubt about the entity's ability to sustain life within a reasonable time by:

- 1) Collect additional information about the conditions and events and from the evidence that supports that reduce skepticism auditor. Provide guidance to auditors about the impact the ability of the business unit continued survival of the auditor's opinion.

- 2) If the auditor believes that there are doubts about the ability of the business unit continued survival in a reasonable period of time, he should:
- 3) Obtain information about the management plan aimed at reducing the impact of conditions and events.
- 4) Establish the possibility that the plan is effectively implemented.
- 5) After the auditor evaluating the management plan, he decided whether he still has a great skepticism about entities continued survival.

Mutchler (1985) revealed some of the criteria the company will receive a going concern audit opinion. Such criteria is if it has a problem on revenue, reorganization, failure to pay interest, received a going concern opinion the previous year. In addition, the company is in the process of liquidation, has a negative capital, negative cash flow, operating income is negative, negative working capital, 2 s / d 3 consecutive years of losses, and the negative retained earnings.

Modified audit opinion regarding going concern audit opinion in the auditor's judgment there is an inability or significant doubt on the viability of the company to run its operations in a reasonable time, not more than one year from the date of the financial statements being audited (SPAP, 2011). Rahayu (2007) states that the term going concern can be interpreted in two ways, the first is a going concern as a concept and the second is as a going concern audit opinion. As the concept of the term "going concern

can be interpreted as the ability of the company a going concern in the long term". As the audit opinion, the term going concern shows auditor has doubts about the company's ability to continue its business in the future. Going concern assumption used in financial reporting as far as not proven the existence of information that shows just the opposite. Such information is usually associated with the entity's inability to meet obligations at maturity without selling major assets to outside parties through regular business, debt restructuring, operating improvements imposed from the outside, and other similar activities.

Expenditure going concern audit opinion is very useful for users of financial statements to make the right decisions in investing, because when an investor will make an investment it is necessary to know the financial condition of the company, especially concerning the survival of the company (Hani et. Al. 2003 at Santosa and Wedari, 2007). Financial statement users feel confident that spending going concern audit opinion as predictions of bankruptcy of a company (Rahman and Siregar, 2011). Therefore, it is a great responsibility for auditors to issue a going concern audit opinion in accordance with the actual situation.

Audit opinion going concern was given audit opinions on the companies that have financial problems, but it is still able to continue his efforts in the appropriate time period. In an audit, the company is usually assumed to be a sustainable company (going concern), which will continue to exist (IAI, 2009). Nevertheless, the auditor has a responsibility to

evaluate whether in fact the company has the ability to continue efforts for a decent period of time, ie not exceeding one year after the date the audited financial statements (IAI, 2001).

Riahi and Belkaoui (2006) said that the going concern opinion assumes that the company will continue to operate long enough to realize the project, commitment and sustained activity. This opinion assumes that the company is not expected to be liquidated in the future or that the entity will continue until the period can not be determined. Hypothesis stability of this kind reflect the expectations of all parties interested in the entity. In achieving this objective, the auditor does not need to design a special audit procedures. Typically, the audit procedures performed to achieve other audit objectives should be enough to identify the conditions and events that when considered in the aggregate, indicate that there is substantial doubt about the company's ability to continue its efforts. IAI (2001) gives some examples of conditions and events in section 341:

### **1. Negative Trend**

For example, operating losses occur repeatedly, lack of working capital, negative cash flows from operations, the key financial ratios are ugly.

### **2. Another indication of the possibility of financial distress**

For example, failure to meet its debt obligations or similar agreement, arrears of dividend payments, refusal of a request by the

supplier to purchase ordinary credit, debt restructuring, the need to find new funding sources or methods, or the sale of most of the assets.

### **3. Internal Problems**

For example, strikes or other labor difficulties, large dependence on certain projects successful, penjang term commitments that are not economic, the need to significantly improve operations.

### **4. The problems that have occurred outside**

For example, the complaint claims court, discharge law, or other problems that may jeopardize the ability of the entity to operate; loss franchises, licenses or patents essential; loss of a major customer or supplier; losses from major disasters such as earthquakes, floods, droughts, the which are not covered by insurance or be insured but with inadequate insurance coverage.

Auditors are required to consider the management plan to address the adverse effects of the conditions and the events above. Management may be planning to release the assets, borrow money or restructure debt, reduce or suspend spending, or raise equity ownership.

Audit opinion is an important part of information submitted by the auditor when auditing the financial statements of a company that focuses on compatibility between the financial statements with generally acceptable accounting standards (Solikah, 2007). Public Accounting

Professional Standards (SPAP) requires that a report be made every time KAP associated with the financial statements.

The opinion issued by the auditor there are four kinds: unqualified opinion, a qualified opinion, did not give an opinion and refused to give an opinion. Whittred (1980) in Komalasari (2004) investigated the impact of the audit report with a qualified opinion on the accuracy of the company's annual reporting in Australia. The auditor will issue a qualified audit report if the run fails to confirm compliance audit clients with regulations.

Auditor has the responsibility to assess whether there is substantial doubt on the ability of a business to its survival mempertahankan within reasonable period of time. By the time the auditors established that there is no doubt that bound to the client's ability to continue its business as a going concern, the auditor is allowed to choose whether to issue unqualified report or disclaimer opinion.

Some of the factors that create uncertainty about the viability (Arens, 1997) in Santosa and Wedari Dawn (2007):

- a. Large business losses repeatedly or lack of working capital.
- b. The inability of the company to pay its obligations at maturity in the short term.
- c. Loss of key customers, uninsured disaster such as earthquakes or floods or poaching problems are not uncommon.
- d. Litigation, lawsuits or similar problems that have occurred that could jeopardize the company's ability to operate.

According to IPSA (Interpretive Statement on Auditing Standards) No. 30: 01 on "Independent Auditor's Report on the Impact of Deteriorating Economic Conditions Indonesia Survival Against Entities", the auditor should consider the following three things:

- 1) The obligation of auditors to give advice to his client to reveal the impact of the economic conditions (if any) of the entity's ability to defend his company.
- 2) Disclosure of events later that may arise as a result of economic conditions.
- 3) Modification of the standard form audit report if the economic conditions impacting the ability of the entity to maintain its viability.

### **C. Profitability**

Profitability is the company's ability to generate profits with the ability and resources dimiliki. According to Dewi (2011), profitability is the relative amount of profit generated from a number of investment or capital invested in a business. If the company has a high profitability is expected to be small potential for the company to obtain a going concern opinion (Januarti and Fitri nasari, 2008).

This ratio indicates how profitable a company is relative to its total assets. The return on assets (ROA) ratio illustrates how well management is employing the company's total assets to make a profit. The higher the

return, the more efficient management is in utilizing its asset base. The ROA ratio is calculated by comparing net income to average total assets, and is expressed as a percentage.

$$\text{ROA} = \frac{\text{EBIT}}{\text{Total Assets}} \times 100\%$$

Profitability is the ability of the company makes a profit in relation to sales, total assets, or equity (Sartono, 1998). Profitability is considered as a valid tool for measuring the results of the implementation of the company's operations, because the profitability is a means of comparison on various investment alternatives according to risk level. Total net income is often compared to the size of activities or other financial conditions such as sales, assets, shareholders' equity to assess the performance as a percentage of some level of activity or investment. This comparison is called profitability ratios (profitability ratio). Analysis of return on assets in financial analysis has great significance as one of the techniques of financial analysis holistic / comprehensive. Return on assets is one form of the profitability ratios which are intended to measure the overall ability of the company with funds invested in assets that were used for the operation of the company to generate profits. By knowing this ratio, will be known whether the company efficient in utilizing its assets in company operations (Munawir, 2002). Analysis of financial ratios of the company basically can be done by the two methods of comparison, namely (Abdul Halim, 1989: 51):

- a. Comparing the ratio of one year with the previous year ratios (historical ratio) or with ratios were estimated for the years to come from the same company.
- b. Comparing the ratios of a company (the company's ratio) with the same ratios than the industry average.

#### **D. Liquidity**

Liquidity is defined as the company's ability to pay short-term obligations. Definition of liquidity according to Subramanyam (2010: 10) is the company's ability to generate cash in the short term to meet its obligations and relies on the company's cash flow as well as components of assets and its current liabilities. Meanwhile, according to Ahmad (2004: 2) in Retno (2011) Liquidity is defined as easy to convert an asset into cash transaction costs are low enough.

Companies that have a "power split" big enough to meet all the financial obligations that must be met immediately, it is said that the company is liquid and vice versa companies that do not have the power to pay the said company is illiquid. Conceptually a so-called illiquid assets if these assets can be traded in large quantities, in a short time, at low cost and without affecting the price. Liquidity can also be interpreted as the rate of speed of a means of investment (asset) to be liquefied into cash funds (money).

Liquidity companies demonstrate the ability to repay short-term financial obligations on time. The company's liquidity is indicated by the size of current assets are assets that are easily converted into cash include cash, marketable securities, accounts receivable and inventory. Using the financial statements consisting of balance sheet, income statement, statement of changes in capital, companies can calculate the liquidity ratio. The level of liquidity can be measured by the liquidity ratio.

Current ratio is the company's ability short-term liabilities with the rest of the current assets of the company.

The current ratio is a popular financial ratio used to test a company's liquidity (also referred to as its current or working capital position) by deriving the proportion of current assets available to cover current liabilities.

The concept behind this ratio is to ascertain whether a company's short-term assets (cash, cash equivalents, marketable securities, receivables and inventory) are readily available to pay off its short-term liabilities (notes payable, current portion of term debt, payables, accrued expenses and taxes). In theory, the higher the current ratio, the better.

This ratio can be calculated by the formula:

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

The higher the current ratio, this means the greater the company's ability to meet short - term financial obligations. Conversely, the lower

current ratio means the lower the company's ability to meet short-term financial obligations.

The company's liquidity is the company's ability to settle its current liabilities or analyzing and interpreting short-term financial position of the company (Munawir, 2002). The level of liquidity of the company can be measured by the current ratio. Current ratio is calculated as current assets divided by current liabilities. This ratio indicates the extent to which current assets cover current liabilities *kewajibankewajiban* smoothly. The greater the ratio of current assets to current liabilities the higher the company's ability to cover short-term obligations.

Liquidity is describing the company's ability to resolve short-term liabilities (Supriya, 2010). Liquidity analyze and interpret the financial position of the short-term, but it is also very helpful for management to check the efficiency of working capital used in the enterprise, it is also important for creditors and long-term shareholders who eventually or at least want to know the prospect of dividends and interest payments in the future will come. The higher the liquidity, the higher the company's ability to pay its short-term debts (Prastya, 2010).

The level of liquidity (liquidity) can be viewed from two sides, on the one hand, higher levels of liquidity will demonstrate strong financial condition (financial) companies. Company's financial condition (financial) strong tend to perform completeness of financial statement disclosures more comprehensive external party because he wanted to show that the

company is credible (credibel); Cooke in Nugraheni (2002), but on the other hand, liquidity (liquidity) is seen as a measure of performance management in managing the finances of the company, where the company with liquidity (liquidity) is low tend to perform completeness of the disclosure of financial statements more comprehensive to external parties in an attempt to explain the background the back of the weakness of performance management; Wallace et al in Nugraheni (2002).

### **E. Company's Growth**

The company's growth is the company's ability to increase the size. Rapid growth of the company the greater the need of funds for expansion. The greater the need for future financing, the greater the company's desire to retained earnings. So the company that is growing should not distribute profits to shareholders as dividends but is better used for expansion. The potential of this growth can be measured by the amount of research and development costs. The greater the R & D cost her then it means there is the prospect of company to grow (Sartono, 2001). The company's growth can be measured in several ways, for example by looking at the sales growth. This measurement can only see the growth of the company's corporate marketing aspect alone.

According Fabozzi (2000), the sales growth is a change in the sales of annual financial statements. Sales growth above the average for a company in general is based on the expected rapid growth of the industry in which it operates. Companies can achieve growth rates above the

average by increasing the market share of the overall industry demand. Companies proxied by the ratio of sales growth. Sales growth ratio, or the ratio of sales growth measure how well the company maintain its economic position, both in industry and in overall economic activity (Weston & Copeland, 1992).

The sales growth shows the company's ability to survive in the conditions of competition. Sales growth is higher than the increase in costs will lead to increased profits. The amount of profit earned on a regular basis as well as the tendency or trend of rising profit is a crucial factor in the survival of a company.

While companies with negative sales growth ratio decreased potentially huge profits so that if management does not immediately take corrective action, it is possible the company will not be able to survive.

Sales is the main operating activity auditee. Auditees have positive sales growth rate indicates that the auditee can be a going concern (going concern). Sales continue to increase from year to year will provide opportunities for increased profits auditees. The higher the ratio of sales growth auditee, the less likely the auditor to issue a going concern audit opinion (GCAO).

The ratio of the company's growth is used to measure the ability of the auditee the growth rate of sales. This data was obtained by calculating the sales growth ratio based on the income / loss of each auditee. The

result of the calculation of sales growth are presented with a scale ratio using the formula:

$$\text{Sales growth rate} = (\text{net sales } t - \text{net sales } t-1) / \text{net sales } t-1$$

Information:

Net income t : Net income current year

Net income t-1 : Net income a year earlier

## **F. Previous Research**

Several researches already studied about this topic that related with Audit Quality , the result which has found in previous research is as follows:

Studies on the going concern opinion conducted in Indonesia, among others, performed by Hani et al. (2003) provide evidence that profitability ratios and liquidity ratios negatively related to the issuance of going concern audit opinion. Petronela (2004) provide evidence that the profitability associated negative and significant effect on the issuance of going concern audit opinion. Research Setyarno (2006) test how the auditee's financial ratios (liquidity ratios, profitability ratios, activity ratios, leverage ratios and the ratio of sales growth), the size of the auditee, the scale of the auditor and the audit opinion the previous year to the going concern audit opinion. His research concluded that the liquidity ratio and significant audit opinion the previous year significantly affect the going concern opinion. Although research on the going concern opinion has

done a lot of research but that links between financial variables with a non-financial variable is still limited.

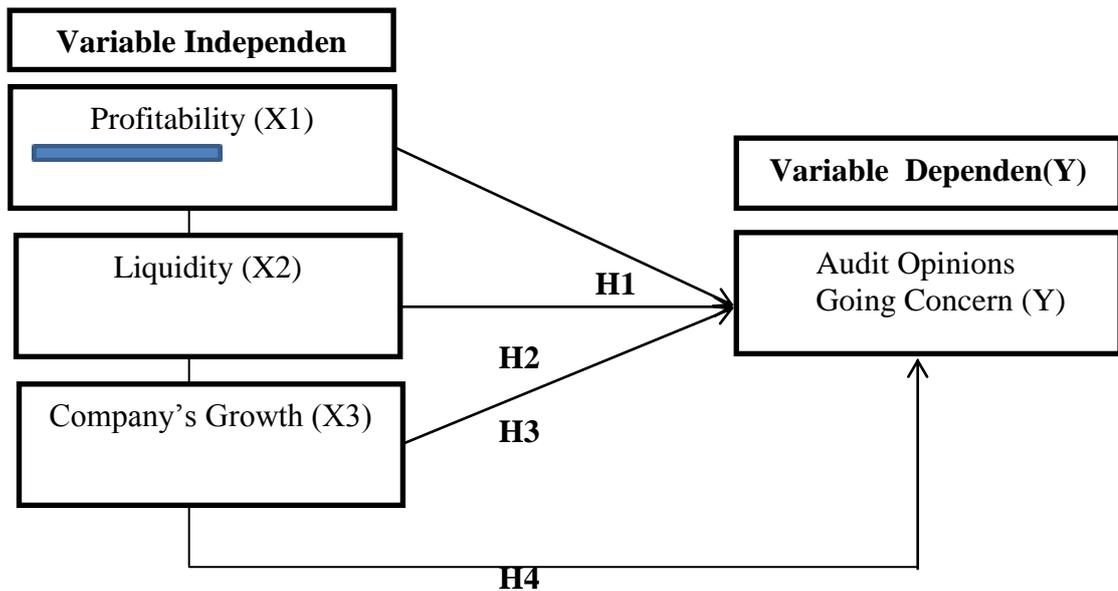
The financial condition of the company, the audit opinion the previous year, the variable quality of the audit and the company's growth on acceptance going concern audit opinion using four variables, namely two financial variables (the financial condition of the company and sales growth) as well as two non-financial variable (quality audit and audit opinion the previous year ). The population in this study are all manufacturing companies listed in Jakarta Stock Exchange (JSX) in 2000 - 2004. The sample was selected using purposive sampling method and selected a total of 295 companies. By using analytical tools Logistic Regression, the results of this study provide empirical evidence that variable financial condition of the company and the audit opinion the previous year significant effect \ on acceptance going concern audit opinion, while the variable quality of the audit and the company's growth shows no significant effect on the audit opinion going concern. Similar to the study conducted by Eko Budi Setyarno this, research will be done this time using some of the same dependent variable, namely the company's financial condition, growth companies and the audit opinion the previous year. But the study period that would have done differently, namely in 2005 and 2006 where in that year when the normal economic conditions.

Research conducted by Alexander Ramadhany (2004) using the first non-financial variable that the audit opinion the previous year and the five

financial variables, namely liquidity ratios, leverage ratios, activity ratios, profitability ratios, and the assessment ratio. The sample in this study were 86 manufacturing companies. By means of logistic regression analysis results obtained a significant difference between the liquidity ratio, leverage ratio, activity ratios, profitability ratios, and the ratio of the assessment of going concern audit opinion. While non-financial variable that the audit opinion the previous year can not show a significant effect on a going concern audit opinion. In contrast to research that will be done in the present study, the company's financial condition in the present study is proxied by discriminant analysis Altman Z Score. And the samples are being used more than 288 manufacturing companies. However, similar to the research to be done is to use the dependent variable, non-financial audit opinion the previous year.

## G. Conceptual Framework

Based on a review of the literature and previous research already outlined, this research thinking frameworks can be described in the following figure:



**Figure 1.1. Research Framework**

Description:

Y: The effort of Going Concern Audit Opinion

X1: Profitability

X2: Liquidity

X3: Company's Growth

## **H. Hypothesis**

The hypothesis is a temporary answer to the problem of research that the truth must be tested empirically. Based on the reviews and the framework above, it can be formulated hypotheses as follows:

H1: There is influence of Profitability to the effort of Audit Opinions Going Concern.

H2: There is influence of Liquidity to the effort of Audit Opinions Going Concern

H3: There is influence of Company's Growth to the effort of Audit Opinions Going Concern

H4: There is influence of Profitability, Liquidity, and Company's Growth to the effort of Audit Opinions Going Concern

## **CHAPTER III**

### **RESEARCH METHODOLOGY**

#### **A. Type of Research**

This study uses quantitative methods. This research uses a quantitative approach. According Sarwono (2006: 27) quantitative research methods are systematic scientific research on the parts and phenomena and their relationships.

This research is classified as descriptive research which explains whether there is any relationship between profitability, liquidity, and company's growth to audit opinion going concern which have listing in Indonesia Stock Exchange in period 2011-2013. This research used secunder data obtained from financial statements of consumer goods industry sector manufacturing companies in 2011-2013. This research identifies and investigate variables that influence (independent variables) facts or events as affected variable (dependent variable).

#### **B. Operational Variable**

Based on research problems and hypothesis development, the variables that will be examined in this research can be identified and measured as follows

**Table 3.1**

**Operational Definiton and Scale Measurement Variable**

<b>Variable</b>	<b>Indicator</b>	<b>Dimension</b>	<b>Scale</b>
Profitability (X1)	Total of Return of Asset	$ROA = \frac{EBIT}{Total\ Assets} \times 100\%$	Ratio
Liquidity (X2)	Current Ratio	CR = Current Assets/Current Liabilities	Ratio
Company Growth (X3)	Net Sales	Sales growth rate = $\frac{\text{net sales } t - \text{net sales } t-1}{\text{net sales } t-1}$	Ratio
Audit Opinion Going Concern (Y)	Audit Opinion based on the amount of total assets	>10 trillions = 10 >1 trillions = 9 >100 billions = 8 >10 billions = 7 >1 billions = 6 >100 millions = 5 >10 millions = 4 >1 millions = 3 >100 thousand = 2 >10 thousand = 1	Interval

**C. Population and Sample**

**1) Population**

Population is the subject of research (Arikunto, 2002: 108).

Population according Gaspersz (1989) is the whole elements to be studied or used as research objects. Meanwhile, according to Hadi (2001) of the population is restricted as a number of people or

individuals who have at least one common trait. The population can also be defined as the totality of all possible values, the results of counting or quantitative measurement of the specific characteristics of all members of the full set and obviously we want to learn nature (Sudjana, 2002: 6). The population of this research is consumer goods industry sector manufacturing company listed on the consumer goods industry sector Indonesia Stock Exchange (BEI) in the year 2011-2013 which consists of 37 companies.

## **2) Samples**

The sample is part of the population (Hadi, 1988: 220). Samples are partly or representative of the population studied (Arikunto, 2002: 109). Thus the smaller sample of the population. Samples were consumer goods industry sector manufacturing company listed on the Indonesia Stock Exchange (IDX), which is engaged in manufacturing in 2011-2013 were selected by purposive sampling method. In purposive sampling, the selection of subject groups based on characteristics or properties deemed to have a close relation with the characteristics or the nature of the population that has been previously known.

According Arikunto (2002: 15) purposive sampling is to determine the sample with a certain considerations that are thought to provide the data to the fullest. Purposive sampling method is expected to represent the population and does not introduce a bias

for research purposes. The sample was selected with the following criteria:

- Auditee already listed on the Indonesia Stock Exchange (BEI) before January 1, 2011
- The Company does not undertake an IPO during the years 2011-2013.
- Auditees did not come out (*delisting*) at the Indonesian Stock Exchange during the study period (years 2011-2013).
- Publish the financial statements have been audited by an independent auditor during the years 2011-2013.
- Companies are closing in December.

**Table 4.1**

**The List of Consumer Goods Industry Company Sub-Sector Listed on IDX**

No	Code	Companies
1	ADES	Akasha Wira International Tbk
2	AISA	Tiga Pilar Sejahtera Tbk
3	ALTO	Tri Banyan Tirta Tbk
4	CEKA	Cahaya Kalbar Tbk
5	CINT	Chitose International Tbk
6	DLTA	Delta Djakarta Tbk
7	DVLA	Darya Varia Laboratoria Tbk
8	GGRM	Gudang Garam Tbk
9	HMSP	H.M Sampoerna Tbk
10	ICBP	Indofood CBP Sukses Makmur Tbk
11	INAF	Indofarma Tbk
12	INDF	Indofood Sukses Makmur Tbk
13	KAEF	Kimia Farma Tbk
14	KICI	Kedaung Indah Can Tbk

15	KINO	Kino Indonesia Tbk
16	KLBF	Kalbe Farma Tbk
17	LMPI	Langgeng Makmur Industri Tbk
18	MBTO	Martina Berto Tbk
19	MERK	Merck Indonesia Tbk
20	MLBI	Multi Bintang Indonesia Tbk
21	MRAT	Mustika Ratu Tbk
22	MYOR	Mayora Indah Tbk
23	PSDN	Prasidha Aneka Niaga Tbk
24	PYFA	Pyridam Farma Tbk
25	RMBA	Bentoel International Investama Tbk
26	ROTI	Nippon Indosari Corpindo Tbk
27	SCPI	Merck Sharp Dohme Pharma Tbk
28	SIDO	Indusri Jamu Sido Muncul Tbk
29	SKBM	Sekar Bumi Tbk
30	SKLT	Sekar Laut Tbk
31	SQBI	Thaiso Pharmaceutical Indonesia Tbk
32	STTP	Siantar Top Tbk
33	TCID	Mandom Indonesia Tbk
34	TSPC	Tempo Scan Pacific Tbk
35	ULTJ	Ultra Jaya Milk Tbk
36	UNVR	Unilever Indonesia Tbk
37	WIIM	Wismilak Inti Makmur Tbk

## **D. Data Collection**

### **1. Types of Data**

Data used in this research is quantitative data which according to Ghozali (2013) defined as data measured in numerical scale. Research data collected from audit's financial statements during 2011-2013 which has published and also listed in manufacturing company in Indonesia Stock Exchange (IDX).

From the data collection period, these data include pooling of data which is a combination of time series data (data collected from

time to time to see the development of an event or activity during that period) with a crosssection of data (data obtained during the incident).

## **2. Data source**

The data used in this research is secondary data. Secondary data in this study a company's annual financial statement data and the independent auditors' report manufacturing companies listed in Indonesia Stock Exchange (BEI) in the period 2011-2013. Data obtained through [www.idx.co.id](http://www.idx.co.id).

## **3. Data Collection Method**

Collection process the data of this study, data were collected using the method of documentation. Documentation is the tracking data that has been documented by the company both quantitatively and qualitatively to some parts or divisions of the company. Data collection techniques associated with problems in this study and published on the Stock Exchange.

### **1) Method of collecting data**

Data were collected using Content Analysis, a method of data collection research using techniques of observation and analysis of the content or message of a document (among others: advertising, labor contracts, reports, minutes, meetings, letters, journals, magazines, newspapers etc). Content Analysis The purpose is to identify the characteristics or specific information

contained in a document to produce a description that is objective and systematic (Indriyantoro & Supomo, 2002).

Content Analisis implemented by way of making observations on the financial statements of the auditee the manufacturing sector into the sample research. The observations were made with the object of study of financial statements audited by independent auditors in 2007 - 2010. The method Content Analisis, Financial Statements, which have been identified in accordance with the criteria used in this research data is then analyzed in order to classify the company into a company with going-concern audit opinion (GCAO) and enterprises with non-going concern audit opinion (GCAO). In addition to using Content Analisis methods, data collection is also used documentation method. With the method of documentation, researchers investigated written objects such as books, magazines, documents, regulations, meeting minutes, diaries and so on. With this method of documentation data in the balance sheet and profit / loss were collected in order to calculate the value of Z Score and sales growth ratio.

## **2) Analysis method**

### **Descriptive statistics**

According Ghozali (2013: 61), descriptive statistics give an idea or a description of a data seen from the average (mean),

standard deviation, maximum and minimum values. Mean is used to determine the average population of the sample, while the maximum-minimum is used to determine the minimum and maximum values in the population. Descriptive statistics were performed to determine the total samples collected and may qualify the research.

The method of analysis used in the study is multiple regression analysis to see the effect of company size, profitability, liquidity, as well as the audit opinion on the provision previously going concern audit opinion. Before conducting the test and regression analysis, first performed various classical assumption in order to produce a conclusion that is true and accurate.

## **E. Data Analysis Techniques**

Data in this research was analyzed by using multiple linear regression models with panel data (combination of time series and cross section) using evIEWS 9.0. EvIEWS originally developed and distributed by Quantitative Micro Software (QMS), the primacy of EvIEWS has had reputation as world leader in Windows-based software model of econometrics and forecasting. Because this research uses econometric models and aims to forecast, then it is relevant if the data analysis was done with EvIEWS. Panel data regression analysis has several advantages mentioned by Gujarati (2003) as cited in Ghazali (2013, p. 232) include:

- 1) Since data panel related to the individual such as company, city, country over time, then characteristic of data panel is being heterogeneous. Therefore, data panel is able to calculate the individual heterogeneity explicitly by allowing individual-specific variables.
- 2) Data panel is based on observation of cross sections that are repeated over and over (time series), so the panel data is suitable for use as “study of dynamic adjustment”.
- 3) By integrating time series data and cross section data, data panel becomes more informative, variety, decrease collinearity level between the variables and increase degrees of freedom (degrees of freedom-df), so it can be retrieved more efficient estimation results.
- 4) Data panel allows us to study the more complex behavior models. Suppose the phenomenon of economies scale and technological change can be understood better by panel data compared to time series data or cross section data.
- 5) Panel data can minimize bias that may arise by aggregating individual data.

### **1. Panel Data Approach**

In panel data regression had known three kind of approach (Gujarati, 2003 as cited in Ghazali, 2013, p. 252) consists of pooled least square, fixed effect model and random effect model.

## 2. Pooled Least Square

Model Pooled Least Square (PLS) is a model that is obtained by combining or collecting all the data of cross section and time series data. This approach ignores the dimension of time and space which is owned by the data panel (Ghozali, 2013, p. 252). This data model is then being estimated using ordinary least square (OLS) as follows:

$$Y_{it} = \beta_0 + \beta_1 X_{1it} + \beta_2 X_{2it} + \beta_3 X_{3it} + \beta_4 X_{4it} + e_{it}$$

Where:

$Y_{it}$  = Audit Opinion Going Concern in time t

$X_{1it}$  = Profitability in time t

$X_{2it}$  = Liquidity in time t

$X_{3it}$  = Company's Growth in time t

$\beta_0$  = Constant

$\beta_1 - \beta_4$  = Coefficient of regression (slope)

$e_{it}$  = Error company i within the time t

With the i indicates the unit of cross section ( $i = 1, 2, 3 \dots, n$ ) and t indicates the time ( $t = 1, 2 \dots, t$ ) from the equation will be retrieved the parameters  $\beta_0$  and  $\beta_2 - \beta_4$ , constant and efficient that involves  $n \times t$  observations.

## 3. Fixed Effect Model

According Ghozali (2013, p. 261) modelling assumptions that resulting constant intercept for every individual (i) and time (t) is considered less realistic so that it required other model which can

capture the difference. Fixed effects model assumes that differences between individuals can be accommodated from the difference of its intercept. Terminology of fixed effect showed that although there is various intercept between individuals, each individual intercept does not vary over time. So  $\beta_{1i}$  means intercept does vary against every single company (i) but does not vary to the time (t). For the estimating fixed effect model with different intercept between individuals, then use dummy variable techniques. Model estimation is often also called Least Squares techniques with Dummy Variable (LSDV), then the model being estimated by OLS models as follows:

$$Y_{it} = \beta_{1i} + \beta_2 X_{1it} + \beta_3 X_{2it} + \beta_4 X_{3it} + e_{it}$$

#### **4. Random Effect Model**

In the use of variations LSDV model, even though it easily and directly be applied, but it considered still has numerous flaws and problems especially in the degree of freedom when we have a lot of cross-sectional units (Ghozali, 2013 p. 285). When the dummy variable is displayed to represent the, it will be better this limitation be accommodated through term  $u_{it}$ . Therefore, to solve this problem we can use the approximation error component model or random effect model.

In this model, the different parameter between individuals or between times is come into error, since this model is often referred

as error component model. The form of the random effect model can be described by the following equation:

$$Y_{it} = \beta_0 + \beta_1 X_{1it} + \beta_2 X_{2it} + \beta_3 X_{3it} + e_{it}$$
$$e_{it} = U_{it} + V_{it} + W_{it}$$

Where  $U_{it} \approx N(0, \sigma_w^2)$  = error component cross section.  $V_{it} \approx N(0, \sigma_v^2)$  = error component time series;  $W_{it} = N(0, \sigma_w^2)$  error component combinations. On random effects model, each component of error is not correlated with each other and there is no autocorrelation between cross section and time series. OLS method cannot be used to obtain an efficient estimator. The proper method for estimating random effects model is a Generalized Least Squares (GLS) assuming homoscedasticity and no cross sectional correlation (Ghozali, 2015, p.286).

## 5. The Selection of Model Estimation

From third kind of panel data model explained above, then needed to determine proper model to be used. Formally, there are three testing procedures of conformity model to be used for selecting the regression models of data panel i.e. 1) F restricted test (Chow Test); used to select between Pooled Least Square model (PLS) and the fixed effect model (FEM); 2) Lagrange Multiplier (LM) used to select between Pooled Least Square model (PLS) or random effect models (REM) and; 3) Hausman test which used to choose between fixed effect model (FEM) or the random effect model (REM).

## 6. Chow Test

This test is used to determine the model between the Pooled Least Square model (PLS) and Fixed Effect Model (FEM). The formula to get the value of Chow test according to Ghozali (2013) is as follows:

Hypothesis null of the LM test is:

$H_0$ : Pooled Least Square (PLS)

$H_1$ : Fixed Effect Model (FEM)

Hypothesis testing criteria:

Alpha = 5%

If  $X^2$  count  $\geq X^2$  table and the p-value significant, then  $H_0$  denied means the Fixed Effect Model (FEM) more appropriate to used.

## 7. Lagrange Multiplier Test

This test is used to determine the model between the Pooled Least Square model (PLS) and Random Effect model (REM). The formula to get the value of Lagrange Multiplier test is as follows:

Hypothesis null of the LM test is:

$H_0$ : Pooled Least Square (PLS)

$H_1$ : Random Effect (REM)

Hypothesis testing criteria:

Alpha = 5%

If  $X^2$  count  $\geq X^2$  table and the p-value significant, then  $H_0$  denied means the random effect model more appropriate to used (Ghozali, 2013).

## 8. Hausman Test

Hausman Test is used to determine between Fixed Effect Model (FEM) and Random Effect Model (REM). The formula to get the value of the Hausman test according to Ghozali (2013) is as follows:

$$M = (\beta - b) (M_0 - M_1)^{-1} (\beta - b) \approx X^2 (K)$$

$\beta$  is a vector of fixed effect variables for statistics

$b$  is the vector of random variables for statistical effect

$M_0$  is the covariant matrix for the alleged FEM

$M_1$  is the covariant matrix for the alleged REM

The zero hypothesis of Hausman test is as follows:

$H_0$ : Random Effect Models (REM)

$H_1$ : Fixed Effect Model (PEM)

Hypothesis testing criteria is as follows:

If  $X^2$  count  $> X^2$  table and the p-value is significant with significance rate 95% ( $\alpha = 5\%$ ), then the  $H_0$  is rejected and FEM model is appropriate to used, or the test may also be done using the command Hausman program views.

## **9. Descriptive Statistics Analysis**

According to Ghozali (2013) descriptive statistics analysis is based on data that have been collected and analyzed. To provide general overview, the data of this research will be conducted descriptive statistics analysis of the research variables consisting of profitability, liquidity, company's growth, and audit opinion going concern. A description of these variables are presented in absolute frequencies which presents the average number of samples (mean), maximum value, minimum value and standard deviation for each variable.

## **10. Classical Assumption Test**

### **a) Normality Regression Test**

Normality regression test aims to test whether the regression model, the dependent variable with the independent variable or residual have normal distribution or not. A good regression model is normal distributed or close to normal. In this research, normality residual is will be tested by Jarque-Bera test.

Decision making criteria in Jarque-Bera test according to Ghozali (2013) is by comparing value of Jarque-Bera to Chi-square ( $\chi^2$ ) table is as follows:

1. If Jarque-Bera value < chi-square ( $\chi^2$ ) table, residual is distributed normally.

2. If Jarque-Bera value  $>$  chi-square ( $\chi^2$ ) table, residual is not distributed normally.

**b) Multicollinearity**

According to Imam Ghozali (2013, p. 77) multicollinearity test aims to test whether the regression model found a correlation between the independent variables. Good regression model should not happen correlation among the independent variables. Matrix correlation ( $R^2$ ) can be used to test multicollinearity level for each independent variable. Testing criteria of multicollinearity is as follows:

$R^2 < 0.9$  then there is no multicollinearity.

$R^2 > 0.9$  then there is multicollinearity.

**c) Heteroscedasticity Test**

One important assumption in regression analysis of random disturbances variance ( $e_i$ ) in each variable is homoscedasticity. But sometime the variance for every unit cross section ( $i$ ) not same. This inequality is called heteroscedasticity. Heteroscedasticity test is carried out by White Test. In White test, testing criteria of heteroscedasticity is as follows:

- OBS \*R – Squared or probability  $<$  0.05 then there is heteroscedasticity
- OBS \*R – Squared or probability  $>$  0.05 then there is no heteroscedasticity

If heteroscedasticity is detected on regression model, it will not influence OLS estimator to be bias or not consistent but model is being not efficient anymore. As a consequence, all types of hypothesis test become misleading. Therefore, it must do correction on model (Ghozali, 2013, p. 112). There are two types of correction i.e. correction of standard error and generalized least square (GLS).

**d) Autocorrelation Test**

Autocorrelation test was intended to test whether there is a correlation between error in period  $t$  with an error in period  $t-1$  (previously) in linear regression model. Autocorrelation arises due to successive observation all the time which related to each other. This problem occurs because the residual is not free from one observation to another observation (Ghozali, 2013, p. 137).

Autocorrelation testing is done by Durbin-Watson test. Durbin Watson test is using first order autocorrelation and requires constant or intercept in regression model and no variable lag between independent variables. The hypothesis to be tested are:

$H_0$  : there is no autocorrelation ( $\rho = 0$ )

$H_A$  : there is autocorrelation ( $\rho \neq 0$ )

Decision making whether there is autocorrelation:

**Table 4.2**

**Durbin Watson test : Decision-making**

The Null Hypothesis	Decision	If
There is no positive autocorrelation	Reject	$0 < d < d_L$
There is no positive autocorrelation	No decision	$d_L \leq d \leq d_U$
There is no positive autocorrelation	Reject	$4 - d_L < d < 4$
There is no negative autocorrelation	No decision	$4 - d_U \leq d \leq 4 - d_L$
There is no negative autocorrelation	Not Rejected	$d_U < d < 4 - d_U$
There is no positive and negative autocorrelation		

$d_U$  : durbin watson upper,  $d_L$  : durbin watson lower

- A. If the value of DW is located between the upper limit or the upper bound ( $d_U$ ) and  $(4 - d_U)$ , then the autocorrelation coefficients equal to zero, meaning no correlation.
- B. If the value of DW is lower than the lower limit or lower bound ( $d_L$ ), the autocorrelation coefficient greater than zero, it means there is positive autocorrelation.
- C. If the value is greater than the DW  $(4 - d_L)$ , the autocorrelation coefficient is smaller than zero, means there is a negative autocorrelation.
- D. If the value of DW lies between the upper limit ( $d_U$ ) and lower limit ( $d_L$ ) or DW lies between  $(4 - d_U)$  and  $(4 - d_L)$ , then the results are inconclusive.

## F. Hypothesis Test

### 1) Multiple Linear Regression

This analysis model is quantitative analysis. Testing the hypothesis of the influence of profitability, liquidity, company's growth and solvency to audit report lag (H1, H2, H3, and H4) is used multiple regression analysis. Multiple regression analysis was used to test whether found dependence of dependent variable with the independent variables. While coefficient obtained shows the predicting value of dependence of dependent variable with an equation also indicates the direction of relation between dependent variables with independent variables (Ghozali, 2013:95).

Regression model is as follows:

$$Y = \beta_0 + \beta_1 \text{ROA} + \beta_2 \text{CR} + \beta_3 \text{NS} + e$$

Information:

Y = Audit Opinion Going Concern

ROA = Profitability

CR = Current Ratio

NS = Company's Growth

$B_0$  = Constanta

$\beta_1 - \beta_4$  = Regression Coefficient

e = error

### 2) Partial Effect Test (T Test)

According Ghozali (2013, p. 98-99), the t statistical test basically shows how far the influence of the independent variables individually in explaining the variation of the dependent variable. In this study, statistical t test was conducted to determine how much influence the profitability, the audit opinion, company age, and solvency to audit opinion going concern.

Applicable hypothesis for testing t statistical test in this study as follows:

- a. Influence of profitability to audit opinion going concern.

$H_0 : \beta_1 = 0$ , means profitability has no influence to audit opinion going concern

$H_1 : \beta_1 \neq 0$ , means profitability influence to audit opinion going concern.

- b. Influence of liquidity to audit opinion going concern:

$H_0 : \beta_2 = 0$ , means liquidity has no influence to audit opinion going concern.

$H_1 : \beta_2 \neq 0$ , means audit opinion influence to audit opinion going concern.

- c. Influence of company growth to audit opinion going concern:

$H_0 : \beta_3 = 0$ , means company's growth has no influence to audit opinion going concern.

$H_1 : \beta_3 \neq 0$ , means company's growth influence to opinion going concern.

Significance testing is done by observing the p-value at the level of significance is set at 5% ( $\alpha = 0.05$ ). T test decision rule is as follows:

- a.  $H_0$  rejected,  $H_1$  accepted if p-value  $< \alpha$ .
- b.  $H_0$  accepted,  $H_1$  rejected if p-value  $> \alpha$

### 3) **Simultaneous Significance Test (F Statistical Test)**

F statistical test shows whether all the independent variables have influence simultaneously on the dependent variable or dependent. (Ghozali, 2013, p. 61). Testing was conducted using a two-way test with the hypothesis as follows:

- a.  $H_0 = \beta_1 = \beta_2 = \dots = \beta_k = 0$  means all independent variables simultaneously have not significant influence on dependent variable.
- b.  $H_a = \beta_1 \neq \beta_2 \neq \dots \neq \beta_k \neq 0$  means all independent variables simultaneously have significant influence to dependent variable.

According to Ghozali (2013) there is close relationship between  $R^2$  and value of F test. Mathematical formula to obtain the value of F count is as follow:

$$F = \frac{R^2 / k}{(1 - R^2) / (n - k - 1)}$$

Where:

$R^2$  = Coefficient of Determination

K = Number of independent variables

n = Number of observations

This hypothesis testing also known as “overall significance test” to test whether Y has linear relationship with variables X. Joint hypothesis can be tested in variance analysis technique (ANOVA) (Ghozali, 2013, p. 62). After obtained the value of F-count through the above formula, then to interpret the result, there is applicable provision as follows:

- 1) If F count > F table (ANOVA table) or significant value  $\leq 0.05$  then  $H_a$  can be accepted, this means that all independent variables simultaneously have significant influence on the dependent variable.
- 2) If F count < F table (ANOVA table) or significant value  $\geq 0.05$  then  $H_a$  cannot be accepted, this means that independent variables simultaneously have no significant influence on the dependent variable.

#### **4) Determinant Coefficient Test ( $R^2$ )**

According to Ghozali (2013, p. 59) determinant coefficient ( $R^2$ ) essentially measures how much ability of independent variables explain the dependent variable. The value of  $R^2$  has the interval between 0 to 1 ( $0 \leq R^2 \leq 1$ ). When the value of  $R^2$  small or close to 0 means the ability of independent variables in explaining the variation of the dependent variable is very limited or even cannot explain at

all. While when the value of  $R^2$  or close to 1 means independent variables provides almost all the information needed to predict the variation of the dependent variable.

## **CHAPTER IV**

### **ANALYSIS AND DISCUSSION**

#### **A. General Description of Statistics**

##### **A. Sampling Location**

Indonesia Stock Exchange (IDX) is an institution that serves stock trading or provides information about the financial statements (go public company listed). This research was taken from Indonesian Capital Market Electronic Library (ICAMEL) in Indonesia Stock Exchange Building Tower 2 Lt.2 Jl. Jendral Sudirman Kav. 52-53 Central Jakarta and can also be accessed by visiting the website [www.idx.co.id](http://www.idx.co.id) to see the company report that will be studied.

##### **B. Population of Research**

Population of research is property and real estate company listed in Indonesia Stock Exchange in period 2011 until 2013 which is counted 37 companies.

##### **C. Sample of Research**

After conducted the selection based on predefined criteria, only 21 companies are used as a sample. This research only took samples of property and real estate companies listed in 2011-2013.

Here the names of company that became sample of the research, among others:

### 4.3

**Table of Sample**

No	Code	Companies
1	ADES	Akasha Wira International Tbk
2	AISA	Tiga Pilar Sejahtera Tbk
3	CEKA	Cahaya Kalbar Tbk
4	DLTA	Delta Djakarta Tbk
5	HMSP	H.M Sampoerna Tbk
6	ICBP	Indofood CBP Sukses Makmur Tbk
7	INAF	Indofarma Tbk
8	INDF	Indofood Sukses Makmur Tbk
9	KICI	Kedaung Indah Can Tbk
10	KLBF	Kalbe Farma Tbk
11	LMPI	Langgeng Makmur Industri Tbk
12	MRAT	Mustika Ratu Tbk
13	MYOR	Mayora Indah Tbk
14	PSDN	Prasidha Aneka Niaga Tbk
15	ROTI	Nippon Indosari Corpindo Tbk
16	SKLT	Sekar Laut Tbk
17	STTP	Siantar Top Tbk
18	TCID	Mandom Indonesia Tbk
19	TSPC	Tempo Scan Pacific Tbk
20	ULTJ	Ultra Jaya Milk Tbk
21	UNVR	Unilever Indonesia Tbk

#### **B. Description of Data Sample**

The data used in this research is secondary data obtained indirectly by researcher through an intermediary media to be further investigated.

##### **a. Independent Variables (X)**

##### **1) Profitability**

Profitability is the company's ability to obtain profit in relation to sales, total assets, and the capital itself.

**Table 4.4**

**Calculation Result for Profitability**

No	Code	ROA		
		2011	2012	2013
1	ADES	0,093742	0,196947	0,134207
2	AISA	0,051577	0,083893	0,089544
3	CEKA	0,158198	0,081458	0,080918
4	DLTA	0,294284	0,385753	0,413355
5	HMSP	0,563113	0,133238	0,116922
6	ICBP	0,180315	0,170512	0,059761
7	INAF	0,049513	0,051935	(0,048692)
8	INDF	0,118545	0,106360	0,059761
9	KICI	0,006648	0,032435	0,101200
10	KLBF	0,240165	0,245065	0,227353
11	LMPI	0,011292	0,006233	(0,017051)
12	MRAT	0,086912	0,093424	(0,022788)
13	MYOR	0,094917	0,115605	0,139659
14	PSDN	0,088086	0,074412	(0,027818)
15	ROTI	0,204110	0,165810	0,115655
16	SKLT	0,037420	0,046702	0,054961
17	STTP	0,064596	0,074502	0,097138
18	TCID	0,174125	0,175346	0,148911
19	TSPC	0,063415	0,061495	0,153465
20	ULTJ	0,071961	0,189181	0,155326
21	UNVR	0,531829	0,539572	0,536313

## 2) Liquidity

The liquidity ratio used for this ratio measures a company's ability in meeting the obligations that are due soon (short-term liabilities).

**Table 4.5**

### **Calculation Result for Liquidity**

No	Code	CR		
		2011	2012	2013
1	ADES	1,708822	1,941606	1,809574
2	AISA	1,893521	1,269469	1,750259
3	CEKA	1,686893	1,027119	1,632193
4	DLTA	6,009036	5,264639	4,705374
5	HMSP	1,749309	1,775790	1,752573
6	ICBP	2,871071	2,762529	2,410628
7	INAF	1,537990	2,102474	1,265221
8	INDF	1,909527	2,003202	1,667299
9	KICI	7,259739	4,799941	5,774069
10	KLBF	3,652744	3,405397	2,839259
11	LMPI	1,477182	1,239461	1,193544
12	MRAT	6,270692	6,017091	6,054071
13	MYOR	2,218722	2,761123	2,443362
14	PSDN	1,550050	1,245425	1,675678
15	ROTI	1,283530	1,124644	1,136427
16	SKLT	1,697415	1,414771	1,233835
17	STTP	1,034774	0,997450	1,142364
18	TCID	11,74281	7,726537	3,573200
19	TSPC	3,082972	3,093310	2,961941
20	ULTJ	1,520883	2,018186	2,470062
21	UNVR	0,686717	0,668263	0,696357

### 3) Company's Growth

The company's growth in this study was measured by the ratio of profit growth. The ratio of profit growth derived from current year profit reduced by profit last year and then divided by earnings last year.

**Table 4.6**

#### **Calculation Result for Company's Growth**

No	Code	Net Sales		
		2011	2012	2013
1	ADES	5,476263	5,678187	5,701155
2	AISA	6,243732	6,438956	6,608176
3	CEKA	12,092779	12,050580	12,403443
4	DLTA	8,751318	8,857303	8,938052
5	HMSP	7,723100	7,823644	7,875207
6	ICBP	7,287065	7,333946	7,399581
7	INAF	12,080434	12,062976	12,126293
8	INDF	7,656407	7,699485	7,761416
9	KICI	10,942094	10,976749	10,995765
10	KLBF	13,037898	13,134699	13,204177
11	LMPI	11,700865	11,776889	11,830018
12	MRAT	11,608863	11,661052	11,554037
13	MYOR	12,975609	13,021628	13,079826
14	PSDN	12,095619	12,115649	12,107058
15	ROTI	11,910273	12,075848	12,177686
16	SKLT	11,529532	11,597526	11,748148
17	STTP	12,011859	12,108475	12,229153
18	TCID	12,218711	12,267442	12,307046
19	TSPC	12,761977	12,821566	12,836000
20	ULTJ	12,322711	12,448683	12,539105
21	UNVR	7,370498	7,436214	7,487950

**b. Dependent Variable (Y)**

**1) Audit Opinion Going Concern**

The audit report with modification concerning an audit opinion going concern in the auditor's assessment reveals that there is a risk auditee can not stay in business.

**Table 4.7**

**Calculation Result of Audit Opinion Going Concern**

No	Code	AO		
		2011	2012	2013
1	ADES	2	2	2
2	AISA	3	3	3
3	CEKA	8	8	8
4	DLTA	5	5	5
5	HMSP	4	4	4
6	ICBP	4	4	4
7	INAF	9	9	9
8	INDF	4	4	4
9	KICI	7	7	7
10	KLBF	9	9	10
11	LMPI	8	8	8
12	MRAT	8	8	8
13	MYOR	9	9	9
14	PSDN	8	8	8
15	ROTI	8	9	9
16	SKLT	8	8	8
17	STTP	9	9	9
18	TCID	9	9	9
19	TSPC	9	9	9
20	ULTJ	9	9	9
21	UNVR	4	4	4

### C. Estimation of Regression Panel Data

Panel data regression analysis can be done through 3 estimation models are Pooled Least Square (Common Model Effect), Fixed Effect Model and Random Effects Model. The outline below will explain these three model estimation.

#### 1. Pooled Least Square

**Table 4.8**

#### **Pooled Least Square Model (OLS)**

Dependent Variable: AO  
 Method: Panel Least Squares  
 Date: 08/24/16 Time: 11:33  
 Sample: 2011 2013  
 Periods included: 3  
 Cross-sections included: 21  
 Total panel (balanced) observations: 63

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-3.404902	0.219590	-15.50573	0.0000
ROA	-0.060876	0.329188	-0.184929	0.8539
CR	0.002175	0.020775	0.104716	0.9170
NS	0.976806	0.018763	52.06026	0.0000
R-squared	0.981366	Mean dependent var	6.888889	
Adjusted R-squared	0.980418	S.D. dependent var	2.383486	
S.E. of regression	0.333531	Akaike info criterion	0.703223	
Sum squared resid	6.563319	Schwarz criterion	0.839295	
Log likelihood	-18.15152	Hannan-Quinn criter.	0.756741	
F-statistic	1035.750	Durbin-Watson stat	0.851420	
Prob(F-statistic)	0.000000			

Using the approach of common effect model, it can be seen that the results of  $R^2$  is 0.981366 which means that 98,13% of Audit opinion going concern variable can be explained by three independent variables i.e. profitability (ROA), current ratio (CR), net sales (NS). As for the rest (100% - 98,13% = 1,87%) explained by other factors out of the model. ANOVA test or F test results F count value of 1035.750 with the level of probability value 0.000 (significant) because probability value less than 0.05. Then the regression model can be used to predict the ARL or it can be said that the variable ROA, CR, NS, and AO simultaneously effect to ARL.

From three independent variables contained in regression models, profitability (ROA) and solvency (DER) have no influence against audit report lag. It can be seen from a probability value ROA of 0.8539 and DER of 0.9170 are greater than 0.05. While the variable of company's growth (NS) influence significantly to audit report lag, with following of each probability level of significance 0.0000.

## **2. Fixed Effect Model**

**Table 4.9**

### **Fixed Effect Model**

Dependent Variable: AO  
 Method: Panel Least Squares  
 Date: 08/24/16 Time: 11:44  
 Sample: 2011 2013  
 Periods included: 3  
 Cross-sections included: 21  
 Total panel (balanced) observations: 63

---

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-2.279160	3.682314	-0.618948	0.5395
ROA	-0.105797	0.470903	-0.224668	0.8234
CR	-0.000806	0.033647	-0.023942	0.9810
NS	0.871372	0.347492	2.507604	0.0164

---

Effects Specification

---

Cross-section fixed (dummy variables)

---

R-squared	0.995145	Mean dependent var	6.888889
Adjusted R-squared	0.992282	S.D. dependent var	2.383486
S.E. of regression	0.209401	Akaike info criterion	-0.006803
Sum squared resid	1.710098	Schwarz criterion	0.809630
Log likelihood	24.21428	Hannan-Quinn criter.	0.314304
F-statistic	347.5513	Durbin-Watson stat	2.314966
Prob(F-statistic)	0.000000		

By using fixed effects model approach, it can be seen that the results of  $R^2$  is 0.995145 which means that 99,51% of audit opinion going concern variable can be explained by three independent variables i.e. profitability (ROA), liquidity (CR), company's growth (NS). As for the rest (100% - 99,51% = 0,49%) explained by other factors out of the model ANOVA test or F test results F count value of 347.5513 with the level of probability value 0.000 (significant) because probability value less than 0.05.

From three independent variables contained in regression models, profitability (ROA) have no influence against audit report lag. It can be seen from a probability ROA of 0.8234 is greater than 0.05. While the variable of profitability (ROA), liquidity (CR), and company's growth

(NS) influence significantly to audit report lag, with following of each probability level of significance 0.9810 and 0.0164 .

### 3. Random Effect Model

**Table 4.10**

#### **Random Effect Model**

Dependent Variable: AO  
 Method: Panel EGLS (Cross-section random effects)  
 Date: 08/24/16 Time: 11:55  
 Sample: 2011 2013  
 Periods included: 3  
 Cross-sections included: 21  
 Total panel (balanced) observations: 63  
 Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	3.391581	0.327821	-10.34585	0.0000
ROA	-0.080739	0.367024	-0.219983	0.8266
CR	0.001568	0.024463	0.064090	0.9491
NS	0.975964	0.028982	33.67483	0.0000
Effects Specification				
			S.D.	Rho
Cross-section random			0.283650	0.6473
Idiosyncratic random			0.209401	0.3527
Weighted Statistics				
R-squared	0.955952	Mean dependent var	2.701076	
Adjusted R-squared	0.953712	S.D. dependent var	0.949038	
S.E. of regression	0.204183	Sum squared resid	2.459742	
F-statistic	426.8114	Durbin-Watson stat	1.717602	
Prob(F-statistic)	0.000000			
Unweighted Statistics				
R-squared	0.981364	Mean dependent var	6.888889	
Sum squared resid	6.563961	Durbin-Watson stat	0.852718	

---

---

By using the random effects model approach, it can be seen that the results of  $R^2$  is 0.955952, it means that the 95,59% of audit opinion going concern variable can be explained by three independent variables i.e profitability (ROA), liquidity (CR), and company's growth (NS) . As for the rest (100 % - 95,59% = 4,41 %) explained by other factors out of the model. ANOVA test or F test results F count value of 426.8114 with the level of probability value 0.000 (significant) because probability value less than 0.05. Then the regression model can be used to predict the audit report lag or it can be said that the variable ROA, CR, and NS simultaneously effect to ARL.

From three independent variables contained in regression models, profitability (ROA) and solvency (DER) influence insignificantly against audit report lag. It can be seen from probability value ROA of 0.8266 and CR of 0.9491 are greater than 0.05. While the variable of company's growth (NS), with probability level of significance 0.0000.

#### **D. Selection Test of Panel Data Regression Model**

From the third of model above, then it required selection test of panel data regression model to choose the best panel data regression model to be used. Panel data regression model testing is carried out by three ways i.e. Chow Test, Hausman Test and Lagrange Multiplier Test.

## 1) Chow Test

Chow test is used to select between common effects and effect model. This testing is done with F statistic test or chi-squared with the hypothesis as follows:

$H_0$  : Pooled Least Square / Common Effect Model

$H_1$  : Fixed Effect Model

Alpha : 5%

Criteria:

1.  $H_0$  is accepted if the value of the probability of F test or Chi square  $>$  alpha.
2.  $H_1$  is accepted if the value of probability of F test of Chi-square  $<$  alpha.

Here are the results obtained of Chow Test which has done by using software Eviews 9.0.

**Table 4.11**

### **Chow Test**

Redundant Fixed Effects Tests  
Equation: Untitled  
Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	5.534060	(20,39)	0.0000
Cross-section Chi-square	84.731602	20	0.0000

Cross-section fixed effects test equation:  
Dependent Variable: AO  
Method: Panel Least Squares

Date: 08/24/16 Time: 12:07  
Sample: 2011 2013  
Periods included: 3  
Cross-sections included: 21  
Total panel (balanced) observations: 63

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-3.404902	0.219590	-15.50573	0.0000
ROA	-0.060876	0.329188	-0.184929	0.8539
CR	0.002175	0.020775	0.104716	0.9170
NS	0.976806	0.018763	52.06026	0.0000
R-squared	0.981366	Mean dependent var	6.888889	
Adjusted R-squared	0.980418	S.D. dependent var	2.383486	
S.E. of regression	0.333531	Akaike info criterion	0.703223	
Sum squared resid	6.563319	Schwarz criterion	0.839295	
Log likelihood	-18.15152	Hannan-Quinn criter.	0.756741	
F-statistic	1035.750	Durbin-Watson stat	0.851420	
Prob(F-statistic)	0.000000			

Based on the test results of the chow-test above, it can be seen that the value of the probability of the F test is lower than 0.05. Thus  $H_1$  accepted, means that fixed effect model is better to be used than common effect model.

## 2) Hausman Test

Hausman test aims to select between fixed effect model and random effect model. Provisions on Hausman test is  $H_0$  (p-value > 0.05) with the following hypothesis:

$H_0$  : Random Effect Model

$H_1$  : Fixed Effect Model

Here are the results obtained of Hausman test which has done by using software Eviews 9.

**Table 4.12****Hausman Test**

Correlated Random Effects - Hausman Test

Equation: Untitled

Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	0.096174	3	0.9923

Cross-section random effects test comparisons:

Variable	Fixed	Random	Var(Diff.)	Prob.
ROA	-0.105797	-0.080739	0.087043	0.9323
CR	-0.000806	0.001568	0.000534	0.9182
NS	0.871372	0.975964	0.119911	0.7626

Cross-section random effects test equation:

Dependent Variable: AO

Method: Panel Least Squares

Date: 08/24/16 Time: 12:10

Sample: 2011 2013

Periods included: 3

Cross-sections included: 21

Total panel (balanced) observations: 63

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-2.279160	3.682314	-0.618948	0.5395
ROA	-0.105797	0.470903	-0.224668	0.8234
CR	-0.000806	0.033647	-0.023942	0.9810
NS	0.871372	0.347492	2.507604	0.0164

**Effects Specification**

Cross-section fixed (dummy variables)

R-squared	0.995145	Mean dependent var	6.888889
Adjusted R-squared	0.992282	S.D. dependent var	2.383486
S.E. of regression	0.209401	Akaike info criterion	-0.006803
Sum squared resid	1.710098	Schwarz criterion	0.809630
Log likelihood	24.21428	Hannan-Quinn criter.	0.314304

F-statistic	347.5513	Durbin-Watson stat	2.314966
Prob(F-statistic)	0.000000		

Based on the output of Hausman test in the table above, the value of p-value > alpha, 0.0007 is lower than 0.05. Thus it can be concluded that the fixed effect model is better to use than the random effect model.

And based on the result of Chow test and Hausman test, Lagrange multiplier test is not needed because fixed effect model is excelled on that two test.

### 3) Lagrange Multiplier Test

Lagrange Multiplier test is used to select between Pooled Least Square model (PLS) and Random Effects model. This testing is done with the Breusch Pagan-LM test with the following hypothesis:

$H_0$  : Pooled Least Square (PLS) / Common Effect Model

$H_1$  : Random Effect Model

Alpha : 5%

With the provisions:

$H_0$  is rejected if the probability value of Breusch Pagan < alpha

**Table 4.13**

### Lagrange Multiplier Test

Lagrange Multiplier Tests for Random Effects

Null hypotheses: No effects

Alternative hypotheses: Two-sided (Breusch-Pagan) and one-sided

(all others) alternatives

Test Hypothesis	
Cross-section	Both
Time	

Breusch-Pagan	23.30169 (0.0000)	1.500510 (0.2206)	24.80220 (0.0000)
Honda	4.827183 (0.0000)	-1.224953 (0.8897)	2.547161 (0.0054)
King-Wu	4.827183 (0.0000)	-1.224953 (0.8897)	0.287504 (0.3869)
Standardized Honda	5.455324 (0.0000)	-0.999164 (0.8411)	-0.642408 (0.7397)
Standardized King- Wu	5.455324 (0.0000)	-0.999164 (0.8411)	-1.936625 (0.9736)
Gourieroux, et al.*	--	--	23.30169 (0.0000)

Based on the output of Lagrange Multiplier test above, the value of the Breusch-Pagan 0.0000 is lower than 0.05 thus  $H_0$  is not accepted, which means that the random effect model is better than the pooled least square model / common effect model. Then it can be inferred that the processing of data in this research is by using the random effect model.

#### E. Analysis of Panel Estimation Result

**Table 4.14**

#### **Panel Estimation Result**

Dependent Variable: AO  
Method: Panel EGLS (Cross-section random effects)  
Date: 08/24/16 Time: 12:44  
Sample: 2011 2013  
Periods included: 3  
Cross-sections included: 21  
Total panel (balanced) observations: 63  
Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	3.391581	0.327821	-10.34585	0.0000
ROA	-0.080739	0.367024	-0.219983	0.8266
CR	0.001568	0.024463	0.064090	0.9491
NS	0.975964	0.028982	33.67483	0.0000

Effects Specification		S.D.	Rho
Cross-section random		0.283650	0.6473
Idiosyncratic random		0.209401	0.3527

Weighted Statistics			
R-squared	0.955952	Mean dependent var	2.701076
Adjusted R-squared	0.953712	S.D. dependent var	0.949038
S.E. of regression	0.204183	Sum squared resid	2.459742
F-statistic	426.8114	Durbin-Watson stat	1.617602
Prob(F-statistic)	0.000000		

Unweighted Statistics			
R-squared	0.981364	Mean dependent var	6.888889
Sum squared resid	6.563961	Durbin-Watson stat	0.852718

Based on the election results of best panel data regression model, it is proved that random effect model is the most well used in this research compared to the pooled least square model/common effect model and fixed effect model.

#### F. Descriptive Statistic Test

The aim of descriptive statistics is to describe data on variables that authors use in this research which are minimum value, maximum value, mean and standard deviation. Descriptive statistics of each of the variables researched can be described as follows:

**Table 4.15**

### Descriptive Statistical Test

	AO	ROA	CR	NS
Mean	6.888889	0.142653	2.661748	10.54118
Median	8.000000	0.106361	1.809574	11.77689
Maximum	10.00000	0.563114	11.74282	13.20418
Minimum	2.000000	-0.048692	0.668263	5.476263
Std. Dev.	2.383486	0.135948	2.067269	2.413825
Skewness	-0.703034	1.676924	2.060149	-0.762837
Kurtosis	1.935125	5.671104	7.871440	1.986820
Jarque-Bera	8.166347	48.25561	106.8579	8.804814
Probability	0.016854	0.000000	0.000000	0.012248
Sum	434.0000	8.987119	167.6902	664.0944
Sum Sq. Dev.	352.2222	1.145880	264.9633	361.2462
Observations	63	63	63	63

For variable audit opinion going concern (Y) it is known that the samples examined amounted 63. The mean value of 6.888889 while standard deviation value of 2.383486, the maximum value of 10.00000 and the minimum value of 2.000000. The minimum value 2.000000 occurs in ADES in 2011-2013 and the maximum value of 10.00000 occurs in KLBF in 2013.

For variable profitability (ROA) it is known that the samples examined amounted 63. The mean value of 2.661748 while standard deviation value of 0.135948, the maximum value of 0.563114 and the minimum value of -0.048692. The minimum value of -0.048692 occurs in

INAF in 2013 and the maximum value of 0.563114 occurs in HMSP in 2011.

For variable liquidity (CR) it is known that the samples examined amounted 63. The mean value of 4.966667 while standard deviation value of 2.067269, the maximum value of 11.74282 and the minimum value of 0.668263. The minimum value of 0.668263 occurs in UNVR in 2012, and the maximum value of 11.74282 occurs in all the rest of the sample except SKLT in 2013.

For variable company's growth (NS) it is known that the samples examined amounted 63. The mean value of 10.54118 while standard deviation value of 2.413825, the maximum value of 13.20418 and the minimum value of 5.476263. The minimum value of 5.476263 occurs in ADES in 2011 and the maximum value of 13.20418 occurs in KLBF in 2013.

## **G. Classical Assumption Test**

Classical assumption test is important to do because it can be obtained valid and reliable parameters on the regression model used. Classical assumption test consisting of: regression normality test, multicollinearity test, autocorrelation test and heteroscedasticity test. Classical assumption test results can be explained as follows:

### **1) Normality Regression Test**

Normality Regression test was done by using Jarque-Bera. To detect whether a residual is normally distributed or not is by

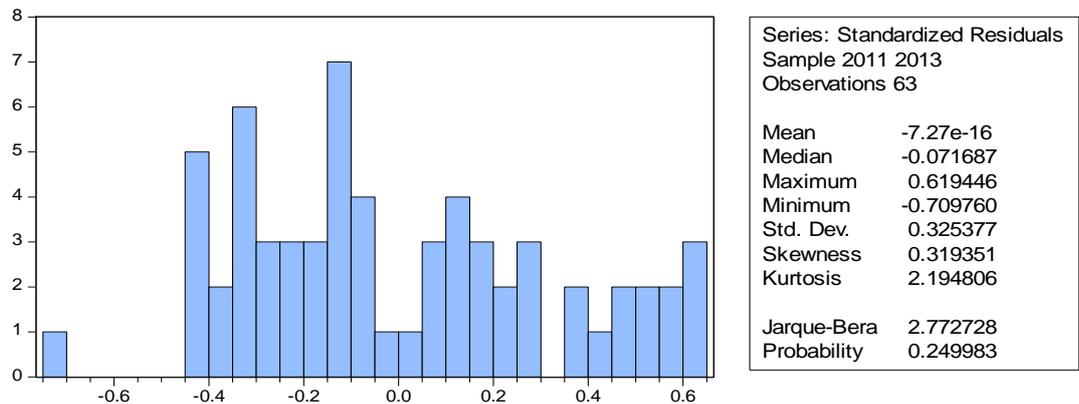
comparing the value of Jarque-Bera to  $\chi^2$  table with the following criteria:

1. If Jarque-Bera value  $< \chi^2$  table, residual is distributed normally.
2. If the value of the Jarque-Bera  $< \chi^2$  table, then residual is normally distributed.

Here is the normality regression test by using Jarque-Bera Test:

**Figure 4.1**

**Normality Regression Test**



The Jarque-Bera Test value of 2,772728 with  $k = 3$ ,  $df = 63-3$ , then  $df = 60$  at  $\alpha = 5\%$  probability = 95% the value of the Chi Square with  $\chi^2 = \text{table } 108.64789$ . The value of Jarque-Bera of 2,772728 smaller than 81.38102, then it can be inferred that the residual is normally distributed.

**2) Multicollinearity Test**

According to Priyanto (2011:288) multicollinearity test is used to test whether there is correlation between independent variables in regression model. If there is a correlation between independent

variables, then there is multicollinearity problem. Good regression models should not happen correlation between independent variables. Testing methods is done by looking at the matrix of correlation between independent variables. Multicollinearity test results are as follows:

**Table 4.16**

**Result of Multicollinearity Test**

	AO	ROA	CR	NS
AO	1.000000	-0.317605	0.154074	0.790632
ROA	-0.317605	1.000000	0.007758	-0.317565
CR	0.154074	0.007758	1.000000	0.153870
NS	0.790632	-0.317565	0.153870	1.000000

From the table of multicollinearity test result above, it can be seen that the value of coefficient of correlation between independent variables are under 0.9 therefore, it concluded there is no multicollinearity problem occur in this data.

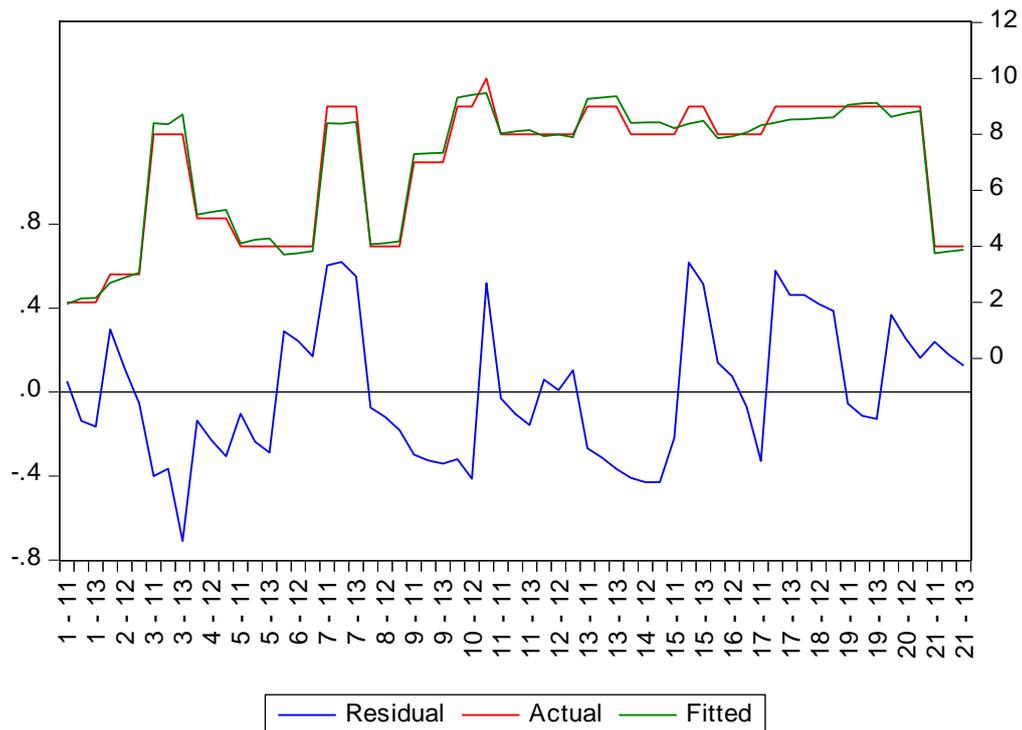
**3) Heteroscedasticity Test**

According to Imam Ghozali (2009) heteroscedasticity test aimed to test whether regression model occur inequality residual variance from one observation to another observation. A good regression model is not happened heteroscedasticity.

Heteroscedasticity can be seen on the graph below:

**Graph 4.1**

**Result of Heteroscedasticity Test**



Heteroscedasticity test also carried out by White Test. In White test, testing criteria of heteroscedasticity is as follows:

- $OBS \cdot R^2$  – Squared or probability  $< 0.05$  then there is heteroscedasticity
- $OBS \cdot R^2$  – Squared or probability  $> 0.05$  then there is no heteroscedasticity

Below is the heteroscedasticity test result by using White Test:

**Table 4.17**

**Heteroscedasticity Test: White Test**

Heteroscedasticity Test: White

F-statistic	1.024582	Prob. F (30,38)	0.4613
Obs*R-squared	21.53320	Prob. Chi-Square (30)	0.9295
Scaled explained SS	13.17329	Prob. Chi-Square (30)	0.8322

Dependent Variable: AO<sup>2</sup>

Method: Least Squares

Date: 08/24/16 Time: 23:00

Sample: 21

Included observations: 63

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.000114	0.002469	-0.534126	0.7566
ROA <sup>2</sup>	-0.000156	0.000633	-0.495183	0.5051
ROA*CR	-4.98E-06	6.23E-06	-0.075670	0.9475
ROA*NS	1.76E-05	3.54E-01	0.283652	0.8840
ROA	0.000343	0.000925	0.373671	0.7373
CR <sup>2</sup>	-2.52E-07	9.65E-02	-0.259328	0.8371
CR*NS	3.76E-08	7.45E-01	0.452325	0.6535
CR*NS	-1.54E-02	1.34E-06	-0.563474	0.5834
CR	9.63E-01	1.32E-07	0.735207	0.4654
NS <sup>2</sup>	-6.36E-07	4.51E-03	-1.895404	0.0752
NS	-1.63E-02	7.65E-07	-0.219737	0.9388

R-squared	0.538468	Mean dependent var	4.23E-05
Adjusted R-squared	0.103693	S.D. dependent var	5.43E-05
S.E. of regression	6.74E-03	Akaike info criterion	-13.52959
Sum squared resid	1.53E-05	Schwarz criterion	-10.79543
Log likelihood	520.4524	Hannan-Quinn criter.	-19.22234
F-statistic	1.250282	Durbin-Watson stat	1.796627
Prob(F-statistic)	0.383428		

Based on the result of White test, it can be seen that the value of Obs\*R-squared of 0.538468 > 0.05, it means that regression model has no heteroscedasticity problem.

**4) Autocorrelation Test**

Autocorrelation test aimed to test whether there is correlation between errors at period t with period t-1 (earlier in a linear) in regression model. Autocorrelation test in this study using Durbin Watson Test (DW) to detect the presence autocorrelation in regression model. The explanation of value of Durbin Watson will be explained below as follow:

**4.18**

**Result of Autocorrelation Test**

Dependent Variable: AO  
 Method: Panel EGLS (Cross-section random effects)  
 Date: 08/24/16 Time: 11:55  
 Sample: 2011 2013  
 Periods included: 3  
 Cross-sections included: 21  
 Total panel (balanced) observations: 63  
 Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	3.391581	0.327821	-10.34585	0.0000
ROA	-0.080739	0.367024	-0.219983	0.8266
CR	0.001568	0.024463	0.064090	0.9491
NS	0.975964	0.028982	33.67483	0.0000

Effects Specification		S.D.	Rho
Cross-section random		0.283650	0.6473
Idiosyncratic random		0.209401	0.3527

Weighted Statistics			
R-squared	0.955952	Mean dependent var	2.701076
Adjusted R-squared	0.953712	S.D. dependent var	0.949038
S.E. of regression	0.204183	Sum squared resid	2.459742
F-statistic	426.8114	Durbin-Watson stat	1.717602
Prob(F-statistic)	0.000000		
Unweighted Statistics			
R-squared	0.981364	Mean dependent var	6.888889
Sum squared resid	6.563961	Durbin-Watson stat	0.852718

Based on table above, the value of Durbin Watson is 1.717602. The value of  $k = 3$ ,  $n = 63$ , the value of upper bound (du) in DW table is 1.6932 and  $4 - du = 2.3068$ , the value of DW is located between the upper limit or the upper bound (du) and  $(4 - du)$ , so then the autocorrelation coefficients equal to zero, it means in this research there is no autocorrelation.

## H. Hypothesis Test

### 1) Multiple Linear Regression Test

Multiple regression analysis was used to test whether found dependence of dependent variable with the independent variables and also indicates the direction of the relation between dependent variable with independent variables.

$$\text{Audit Opinion Going Concern (Y)} = 3.391581 + -0.080739\text{ROA} + -0.001568\text{CR} + 0.975964\text{NS}$$

Based on regression equation above can be explain as follows:

1. Constant of 3.391581 means that if profitability (ROA), liquidity (CR), company's growth (NS), and then audit opinion going concern would result in value of 3.391581.
2. Regression coefficient value for profitability (X1)  $\beta_1 = -0.080739$  means that if the number of profitability (X1) increase by 1, while other independent variables remain as constant, audit opinion going concern (Y) will decrease of -0.080739 and vice versa if variable of profitability (X1) decrease by 1, while the other independent variables remain as constant then audit opinion going concern (Y) also increase of -0.080739.
3. Regression coefficient value for liquidity (X2)  $\beta_2 = 0.001568$  means that if the number of liquidity (X2) increase by 1, while other independent variables remain as constant, audit opinion going concern (Y) will decrease of 0.001568 and vice versa if variable of audit opinion going concern (X2) decrease by 1, while the other independent variables remain as constant then audit opinion going concern (Y) also increase of 0.001568.
4. Regression coefficient value for company's growth (X3)  $\beta_3 = 0.975964$  means that if the number of company's growth (X3) increase by 1, while other independent variables remain as constant, audit opinion going concern (Y) will decrease of 0.975964 and vice versa if variable of company age (X3) decrease by 1, while the other

independent variables remain as constant then audit opinion going concern (Y) also increase of 0.975964.

## 2) Partial Hypothesis Test (T-Test)

According to Priyatno (2011) T-test is used to find out the influence of each independent variable against dependent variable. When the level of significance  $< 0.05$  then  $H_0$  denied and  $H_a$  received. The Basic decision-taking is as follows:

1. If the value of significance  $> 0.05$ , then  $H_0$  accepted
2. If the value of significance  $< 0.05$  then  $H_a$  accepted

Below the significance value and the coefficient for each variable by using Fixed Effect model.

**Table 4.19**

### Result of T-Test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	213.1488	36.68601	5.810085	0.0000
ROA	-4.400704	28.31917	-0.155397	0.8771
AO	-17.68203	5.700678	-3.101741	0.0030
AGE	-2.267806	1.053018	-2.153625	0.0356
DER	14.47564	5.655571	2.559536	0.0132

It can be concluded that variable ROA not influence significantly to ARL as it has value probability  $> 0.05$ . While the variable AO, AGE, and DER partially influence significantly to ARL

as it has probability value  $< 0.05$ . Below is the detail explanation of result:

1. Probability value of ROA is  $0.8771 > 0.05$  which means the profitability (X1) influence insignificantly to audit report lag (Y). Based on the result above, then  $H_1$  is rejected and  $H_0$  is accepted, it means the profitability (X1) has no influence significantly to audit report lag (Y) partially.
2. Probability value of AO is  $0.0030 < 0.05$  which means audit opinion (X2) influence significantly to audit report lag (Y). Based on the result above, then  $H_2$  is accepted and  $H_0$  is rejected, it means audit opinion (X2) influence significantly to audit report lag (Y) partially.
3. Probability value of AGE is  $0.0356 > 0.05$  which means company age (X3) influence significantly to audit report lag (Y). Based on the result above, then  $H_3$  is accepted and  $H_0$  is rejected, means amount of company age (X3) has significant influence to audit report lag (Y) partially.
4. Probability value of DER is  $0.0132 > 0.05$  which means solvency (X4) influence significantly to audit report lag (Y). Based on the result above, then  $H_4$  is accepted and  $H_0$  is rejected, means amount of solvency (X4) has significant influence to audit report lag (Y) partially.

### 3) Simultaneous Significance Test (F-Test)

According to Priyatno (2011) F test is used to test the influence of all the independent variable to dependent variable. According to Ghozali (2005), the criteria for decision making is as follow:

- If  $F_{count} > F_{table}$  or significant  $< 0.05$  then  $H_a$  accepted
- If  $F_{count} < F_{table}$  or significant  $> 0.05$  then  $H_a$  rejected

F test results in this research can be seen in the following table:

**Table 4.20**

**Result of F-Test**

R-squared	0.955952	Mean dependent var	2.701076
Adjusted R-squared	0.953712	S.D. dependent var	0.949038
S.E. of regression	0.204183	Sum squared resid	2.459742
F-statistic	426.8114	Durbin-Watson stat	1.617602
Prob(F-statistic)	0.000000		

By looking at the table significance value of  $0.000000 < 0.05$ , which means Profitability (X1), Liquidity (X2), and Company's Growth (X3) has a significant influence to AO (Y). The third hypothesis (H3) is accepted.

Based on the results above, it can be concluded that the Profitability, Liquidity, and Company's Growth has a significant influence to Auditor Switching.

**4) Determinant Coefficient Test ( $R^2$ )**

Analysis of determination is used to find out the percentage of independent variables influence simultaneously against the dependent variable (Priyatno, 2011). This test is done to see how large the independent variables can explain dependent variable. The results of determination analysis can be seen in the output of the model summary from simple linear regression analysis results by using Fixed Effect Model approach. Adjusted  $R^2$  values is used to measure the coefficient of determination.

Many researchers advised to use adjusted  $R^2$  value when evaluating coefficient of determination since the value of the adjusted  $R^2$  can be spotty depending on independent variable is added to the model. Adjusted  $R^2$  considered better to used when model has more than two independent variables. Determinant coefficient ( $R^2$ ) test results on this research can be seen in the table below:

**Table 4.21**

**Result of Determinant Coefficient Test**

R-squared	0.955952	Mean dependent var	2.701076
Adjusted R-squared	0.953712	S.D. dependent var	0.949038
S.E. of regression	0.204183	Sum squared resid	2.459742
F-statistic	426.8114	Durbin-Watson stat	1.617602
Prob(F-statistic)	0.000000		

By looking at the table above Adjusted  $R^2$  value is 0.953712. This shows the magnitude of contribution of profitability, liquidity, and company's growth against audit opinion going concern is 95,37%,

while the remaining 4.63% is the contribution of other factors are not examined in this study.

## **I. Interpretation Result**

The result of this study indicate that:

- 1) Signification value of ROA is  $0.8226 > 0.05$  which means profitability influence insignificantly to audit opinion going concern (Y) partially. Based on the result above, then  $H_1$  is rejected and  $H_0$  is accepted.
- 2) Signification value of CR is  $0.9491 < 0.05$  which means audit opinion influence insignificantly to audit opinion going concern (Y) partially. Based on the result above, the  $H_2$  is rejected and  $H_0$  is accepted.
- 3) Signification value of NS is  $0.000 > 0.05$  which means company age influence significantly to audit opinion going concern (Y) partially. Based on the result above, then  $H_3$  is accepted and  $H_0$  is rejected.
- 4) The research result of the fourth hypothesis ( $H_4$ ) shows variable Profitability, Liquidity, and Company's Growth simultaneously influence significantly on Audit Opinion Going Concern.



## **CHAPTER V**

### **CONCLUSION, LIMITATION AND RECOMMENDATION**

#### **A. Conclusion**

This research examined the influence of profitability, liquidity, company's growth and audit opinion going concern of consumer goods industry sector manufacturing companies in Indonesia. The conclusion of this research explains as following:

1. Profitability influence insignificantly to audit opinion going concern on a consumer goods industry sector manufacturing company.
2. Liquidity influence insignificantly to audit opinion going concern on a consumer goods industry sector manufacturing company.
3. Company's Growth influence significantly to audit opinion going concern on consumer goods industry sector manufacturing company.
4. Profitability , liquidity, and company's growth simultaneously influence significantly to audit opinion going concern on consumer goods industry sector manufacturing company.

## **B. Limitation**

In this study there are some limitations that might affect the results of the research. As for some of the limitations are:

1. The study observed only use 3 years ie 2011-2013 to see the effect of profitability, liquidity, and company's growth to the audit opinion going concern on consumer goods industry sector manufacturing company.
2. The sample used in this study only consumer goods industry sector manufacturing company listed on the Indonesia Stock Exchange and who meet the criteria set so that the sample amounted to 21 companies.
3. Variables used only variable profitability, liquidity, and company's growth. While there are many more variables that can be used to see its effect on audit opinion going concern on consumer goods industry sector manufacturing company.

## **C. Recommendation**

While there are many limitations in this research, future research is expected to consider the following factors:

1. For further research, it is expected that over expanding the number of variables used in research on audit opinion going concern, such as audit quality, type of industry, debt to total assets ratio, etc. so that research can be generalized.

2. Period of this study is limited to three years, namely 2011 to 2013, then for further research can use the study period more than 3 years. For example the study period of four years, five years, and so on.
3. Samples in this study is limited to companies engaged in consumer goods industry sector manufacturing company. So as to further research can use the sample companies engaged other sectors, eg the financial sector such as banks, financial institutions, insurance and others.

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# **ATTACHMENTS**

## **CURRICULUM VITAE**

Name : Rahma Fatwa Sanjaya

Place, Date of Birth : Subang, 9th August 1994

Address : Jl. Purwadadi, Ds. Wanakerta, Subang

Status : Single

Religion : Moslem

Education History : SDN Kaliang Sana graduated in 2006  
SMP Negeri 1 Kalijati graduated in 2009  
SMA Negeri 1 Subang graduated in 2012  
College of Economics YAI Student since 2012 - present

Occupation : Tax Staff PT. Morita Tjokro Gearindo since the end of  
2015 - present

Jakarta, February 2017

# CHI-SQUARE TABLE

Titik Persentase Distribusi Chi-Square untuk d.f. = 1 - 50

Pr	0.25	0.10	0.05	0.010	0.005	0.001
1	1.32330	2.70554	3.84146	6.63490	7.87944	10.82757
2	2.77259	4.60517	5.99146	9.21034	10.59663	13.81551
3	4.10834	6.25139	7.81473	11.34487	12.83816	16.26624
4	5.38527	7.77944	9.48773	13.27670	14.86026	18.46683
5	6.62568	9.23636	11.07050	15.08627	16.74960	20.51501
6	7.84080	10.64464	12.59159	16.81189	18.54758	22.45774
7	9.03715	12.01704	14.06714	18.47531	20.27774	24.32189
8	10.21885	13.36157	15.50731	20.09024	21.95495	26.12448
9	11.38875	14.68366	16.91898	21.66599	23.58935	27.87716
10	12.54886	15.98718	18.30704	23.20925	25.18818	29.58830
11	13.70069	17.27501	19.67514	24.72497	26.75685	31.26413
12	14.84540	18.54935	21.02607	26.21697	28.29952	32.90949
13	15.98391	19.81193	22.36203	27.68825	29.81947	34.52818
14	17.11693	21.06414	23.68479	29.14124	31.31935	36.12327
15	18.24509	22.30713	24.99579	30.57791	32.80132	37.69730
16	19.36886	23.54183	26.29623	31.99993	34.26719	39.25235
17	20.48868	24.76904	27.58711	33.40866	35.71847	40.79022
18	21.60489	25.98942	28.86930	34.80531	37.15645	42.31240
19	22.71781	27.20357	30.14353	36.19087	38.58226	43.82020
20	23.82769	28.41198	31.41043	37.56623	39.99685	45.31475
21	24.93478	29.61509	32.67057	38.93217	41.40106	46.79704
22	26.03927	30.81328	33.92444	40.28936	42.79565	48.26794
23	27.14134	32.00690	35.17246	41.63840	44.18128	49.72823
24	28.24115	33.19624	36.41503	42.97982	45.55851	51.17860
25	29.33885	34.38159	37.65248	44.31410	46.92789	52.61966
26	30.43457	35.56317	38.88514	45.64168	48.28988	54.05196
27	31.52841	36.74122	40.11327	46.96294	49.64492	55.47602
28	32.62049	37.91592	41.33714	48.27824	50.99338	56.89229
29	33.71091	39.08747	42.55697	49.58788	52.33562	58.30117
30	34.79974	40.25602	43.77297	50.89218	53.67196	59.70306
31	35.88708	41.42174	44.98534	52.19139	55.00270	61.09831
32	36.97298	42.58475	46.19426	53.48577	56.32811	62.48722
33	38.05753	43.74518	47.39988	54.77554	57.64845	63.87010
34	39.14078	44.90316	48.60237	56.06091	58.96393	65.24722
35	40.22279	46.05879	49.80185	57.34207	60.27477	66.61883
36	41.30362	47.21217	50.99846	58.61921	61.58118	67.98517
37	42.38331	48.36341	52.19232	59.89250	62.88334	69.34645
38	43.46191	49.51258	53.38354	61.16209	64.18141	70.70289
39	44.53946	50.65977	54.57223	62.42812	65.47557	72.05466
40	45.61601	51.80506	55.75848	63.69074	66.76596	73.40196
41	46.69160	52.94851	56.94239	64.95007	68.05273	74.74494
42	47.76625	54.09020	58.12404	66.20624	69.33600	76.08376
43	48.84001	55.23019	59.30351	67.45935	70.61590	77.41858
44	49.91290	56.36854	60.48089	68.70951	71.89255	78.74952
45	50.98495	57.50530	61.65623	69.95683	73.16606	80.07673
46	52.05619	58.64054	62.82962	71.20140	74.43654	81.40033
47	53.12666	59.77429	64.00111	72.44331	75.70407	82.72042
48	54.19636	60.90661	65.17077	73.68264	76.96877	84.03713
49	55.26534	62.03754	66.33865	74.91947	78.23071	85.35056
50	56.33360	63.16712	67.50481	76.15389	79.48998	86.66082

**Titik Persentase Distribusi Chi-Square untuk d.f. = 1 - 50**

Pr df	0.25	0.10	0.05	0.010	0.005	0.001
51	57.40118	64.29540	68.66929	77.38596	80.74666	87.96798
52	58.46809	65.42241	69.83216	78.61576	82.00083	89.27215
53	59.53435	66.54820	70.99345	79.84334	83.25255	90.57341
54	60.59998	67.67279	72.15322	81.06877	84.50190	91.87185
55	61.66500	68.79621	73.31149	82.29212	85.74895	93.16753
56	62.72942	69.91851	74.46832	83.51343	86.99376	94.46054
57	63.79326	71.03971	75.62375	84.73277	88.23638	95.75095
58	64.85654	72.15984	76.77780	85.95018	89.47687	97.03883
59	65.91927	73.27893	77.93052	87.16571	90.71529	98.32423
60	66.98146	74.39701	79.08194	88.37942	91.95170	99.60723
61	68.04313	75.51409	80.23210	89.59134	93.18614	100.88789
62	69.10429	76.63021	81.38102	90.80153	94.41865	102.16625
63	70.16496	77.74538	82.52873	92.01002	95.64930	103.44238
64	71.22514	78.85964	83.67526	93.21686	96.87811	104.71633
65	72.28485	79.97300	84.82065	94.42208	98.10514	105.98814
66	73.34409	81.08549	85.96491	95.62572	99.33043	107.25788
67	74.40289	82.19711	87.10807	96.82782	100.55401	108.52558
68	75.46124	83.30790	88.25016	98.02840	101.77592	109.79130
69	76.51916	84.41787	89.39121	99.22752	102.99621	111.05507
70	77.57666	85.52704	90.53123	100.42518	104.21490	112.31693
71	78.63374	86.63543	91.67024	101.62144	105.43203	113.57694
72	79.69042	87.74305	92.80827	102.81631	106.64763	114.83512
73	80.74670	88.84992	93.94534	104.00983	107.86174	116.09151
74	81.80260	89.95605	95.08147	105.20203	109.07438	117.34616
75	82.85812	91.06146	96.21667	106.39292	110.28558	118.59909
76	83.91326	92.16617	97.35097	107.58254	111.49538	119.85035
77	84.96804	93.27018	98.48438	108.77092	112.70380	121.09996
78	86.02246	94.37352	99.61693	109.95807	113.91087	122.34795
79	87.07653	95.47619	100.74862	111.14402	115.11661	123.59437
80	88.13026	96.57820	101.87947	112.32879	116.32106	124.83922
81	89.18365	97.67958	103.00951	113.51241	117.52422	126.08256
82	90.23670	98.78033	104.13874	114.69489	118.72613	127.32440
83	91.28944	99.88046	105.26718	115.87627	119.92682	128.56477
84	92.34185	100.97999	106.39484	117.06654	121.12629	129.80369
85	93.39395	102.07892	107.52174	118.25575	122.32458	131.04120
86	94.44574	103.17726	108.64789	119.44390	123.52170	132.27732
87	95.49723	104.27504	109.77331	120.63101	124.71768	133.51207
88	96.54842	105.37225	110.89800	121.76711	125.91254	134.74548
89	97.59932	106.46890	112.02199	122.94221	127.10628	135.97757
90	98.64993	107.56501	113.14527	124.11632	128.29894	137.20835
91	99.70026	108.66058	114.26787	125.28946	129.49053	138.43786
92	100.75031	109.75563	115.38979	126.46166	130.68107	139.66612
93	101.80009	110.85015	116.51105	127.63291	131.87058	140.89313
94	102.84960	111.94417	117.63165	128.80325	133.05906	142.11894
95	103.89884	113.03769	118.75161	129.97268	134.24655	143.34354
96	104.94783	114.13071	119.87094	131.14122	135.43305	144.56697
97	105.99656	115.22324	120.98964	132.30888	136.61858	145.78923
98	107.04503	116.31530	122.10773	133.47567	137.80315	147.01036
99	108.09326	117.40688	123.22522	134.64162	138.98678	148.23036
100	109.14124	118.49800	124.34211	135.80672	140.16949	149.44925

## F- TABLE

Titik Persentase Distribusi F untuk Probabilita = 0,05															
df untuk penyebut (N2)	df untuk pembilang (N1)														
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1	161	199	216	225	230	234	237	239	241	242	243	244	245	245	246
2	18.51	19.00	19.16	19.25	19.30	19.33	19.35	19.37	19.38	19.40	19.40	19.41	19.42	19.42	19.43
3	10.13	9.55	9.28	9.12	9.01	8.94	8.89	8.85	8.81	8.79	8.76	8.74	8.73	8.71	8.70
4	7.71	6.94	6.59	6.39	6.26	6.16	6.09	6.04	6.00	5.96	5.94	5.91	5.89	5.87	5.86
5	6.61	5.79	5.41	5.19	5.05	4.95	4.88	4.82	4.77	4.74	4.70	4.68	4.66	4.64	4.62
6	5.99	5.14	4.76	4.53	4.39	4.28	4.21	4.15	4.10	4.06	4.03	4.00	3.98	3.96	3.94
7	5.59	4.74	4.35	4.12	3.97	3.87	3.79	3.73	3.68	3.64	3.60	3.57	3.55	3.53	3.51
8	5.32	4.46	4.07	3.84	3.69	3.58	3.50	3.44	3.39	3.35	3.31	3.28	3.26	3.24	3.22
9	5.12	4.26	3.86	3.63	3.48	3.37	3.29	3.23	3.18	3.14	3.10	3.07	3.05	3.03	3.01
10	4.96	4.10	3.71	3.48	3.33	3.22	3.14	3.07	3.02	2.98	2.94	2.91	2.89	2.86	2.85
11	4.84	3.98	3.59	3.36	3.20	3.09	3.01	2.95	2.90	2.85	2.82	2.79	2.76	2.74	2.72
12	4.75	3.89	3.49	3.26	3.11	3.00	2.91	2.85	2.80	2.75	2.72	2.69	2.66	2.64	2.62
13	4.67	3.81	3.41	3.18	3.03	2.92	2.83	2.77	2.71	2.67	2.63	2.60	2.58	2.55	2.53
14	4.60	3.74	3.34	3.11	2.96	2.85	2.76	2.70	2.65	2.60	2.57	2.53	2.51	2.48	2.46
15	4.54	3.68	3.29	3.06	2.90	2.79	2.71	2.64	2.59	2.54	2.51	2.48	2.45	2.42	2.40
16	4.49	3.63	3.24	3.01	2.85	2.74	2.66	2.59	2.54	2.49	2.46	2.42	2.40	2.37	2.35
17	4.45	3.59	3.20	2.96	2.81	2.70	2.61	2.55	2.49	2.45	2.41	2.38	2.35	2.33	2.31
18	4.41	3.55	3.16	2.93	2.77	2.66	2.58	2.51	2.46	2.41	2.37	2.34	2.31	2.29	2.27
19	4.38	3.52	3.13	2.90	2.74	2.63	2.54	2.48	2.42	2.38	2.34	2.31	2.28	2.26	2.23
20	4.35	3.49	3.10	2.87	2.71	2.60	2.51	2.45	2.39	2.35	2.31	2.28	2.25	2.22	2.20
21	4.32	3.47	3.07	2.84	2.68	2.57	2.49	2.42	2.37	2.32	2.28	2.25	2.22	2.20	2.18
22	4.30	3.44	3.05	2.82	2.66	2.55	2.46	2.40	2.34	2.30	2.26	2.23	2.20	2.17	2.15
23	4.28	3.42	3.03	2.80	2.64	2.53	2.44	2.37	2.32	2.27	2.24	2.20	2.18	2.15	2.13
24	4.26	3.40	3.01	2.78	2.62	2.51	2.42	2.36	2.30	2.25	2.22	2.18	2.15	2.13	2.11
25	4.24	3.39	2.99	2.76	2.60	2.49	2.40	2.34	2.28	2.24	2.20	2.16	2.14	2.11	2.09
26	4.23	3.37	2.98	2.74	2.59	2.47	2.39	2.32	2.27	2.22	2.18	2.15	2.12	2.09	2.07
27	4.21	3.35	2.96	2.73	2.57	2.46	2.37	2.31	2.25	2.20	2.17	2.13	2.10	2.08	2.06
28	4.20	3.34	2.95	2.71	2.56	2.45	2.36	2.29	2.24	2.19	2.15	2.12	2.09	2.06	2.04
29	4.18	3.33	2.93	2.70	2.55	2.43	2.35	2.28	2.22	2.18	2.14	2.10	2.08	2.05	2.03
30	4.17	3.32	2.92	2.69	2.53	2.42	2.33	2.27	2.21	2.16	2.13	2.09	2.06	2.04	2.01
31	4.16	3.30	2.91	2.68	2.52	2.41	2.32	2.25	2.20	2.15	2.11	2.08	2.05	2.03	2.00
32	4.15	3.29	2.90	2.67	2.51	2.40	2.31	2.24	2.19	2.14	2.10	2.07	2.04	2.01	1.99
33	4.14	3.28	2.89	2.66	2.50	2.39	2.30	2.23	2.18	2.13	2.09	2.06	2.03	2.00	1.98
34	4.13	3.28	2.88	2.65	2.49	2.38	2.29	2.23	2.17	2.12	2.08	2.05	2.02	1.99	1.97
35	4.12	3.27	2.87	2.64	2.49	2.37	2.29	2.22	2.16	2.11	2.07	2.04	2.01	1.99	1.96
36	4.11	3.26	2.87	2.63	2.48	2.36	2.28	2.21	2.15	2.11	2.07	2.03	2.00	1.98	1.95
37	4.11	3.25	2.86	2.63	2.47	2.36	2.27	2.20	2.14	2.10	2.06	2.02	2.00	1.97	1.95
38	4.10	3.24	2.85	2.62	2.46	2.35	2.26	2.19	2.14	2.09	2.05	2.02	1.99	1.96	1.94
39	4.09	3.24	2.85	2.61	2.46	2.34	2.26	2.19	2.13	2.08	2.04	2.01	1.98	1.95	1.93
40	4.08	3.23	2.84	2.61	2.45	2.34	2.25	2.18	2.12	2.08	2.04	2.00	1.97	1.95	1.92
41	4.08	3.23	2.83	2.60	2.44	2.33	2.24	2.17	2.12	2.07	2.03	2.00	1.97	1.94	1.92
42	4.07	3.22	2.83	2.59	2.44	2.32	2.24	2.17	2.11	2.06	2.03	1.99	1.96	1.94	1.91
43	4.07	3.21	2.82	2.59	2.43	2.32	2.23	2.16	2.11	2.06	2.02	1.99	1.96	1.93	1.91
44	4.06	3.21	2.82	2.58	2.43	2.31	2.23	2.16	2.10	2.05	2.01	1.98	1.95	1.92	1.90
45	4.06	3.20	2.81	2.58	2.42	2.31	2.22	2.15	2.10	2.05	2.01	1.97	1.94	1.92	1.89

**Titik Persentase Distribusi F untuk Probabilita = 0,05**

df untuk penyebut (N2)	df untuk pembilang (N1)														
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
46	4.05	3.20	2.81	2.57	2.42	2.30	2.22	2.15	2.09	2.04	2.00	1.97	1.94	1.91	1.89
47	4.05	3.20	2.80	2.57	2.41	2.30	2.21	2.14	2.09	2.04	2.00	1.96	1.93	1.91	1.88
48	4.04	3.19	2.80	2.57	2.41	2.29	2.21	2.14	2.08	2.03	1.99	1.96	1.93	1.90	1.88
49	4.04	3.19	2.79	2.56	2.40	2.29	2.20	2.13	2.08	2.03	1.99	1.96	1.93	1.90	1.88
50	4.03	3.18	2.79	2.56	2.40	2.29	2.20	2.13	2.07	2.03	1.99	1.95	1.92	1.89	1.87
51	4.03	3.18	2.79	2.55	2.40	2.28	2.20	2.13	2.07	2.02	1.98	1.95	1.92	1.89	1.87
52	4.03	3.18	2.78	2.55	2.39	2.28	2.19	2.12	2.07	2.02	1.98	1.94	1.91	1.89	1.86
53	4.02	3.17	2.78	2.55	2.39	2.28	2.19	2.12	2.06	2.01	1.97	1.94	1.91	1.88	1.86
54	4.02	3.17	2.78	2.54	2.39	2.27	2.18	2.12	2.06	2.01	1.97	1.94	1.91	1.88	1.86
55	4.02	3.16	2.77	2.54	2.38	2.27	2.18	2.11	2.06	2.01	1.97	1.93	1.90	1.88	1.85
56	4.01	3.16	2.77	2.54	2.38	2.27	2.18	2.11	2.05	2.00	1.96	1.93	1.90	1.87	1.85
57	4.01	3.16	2.77	2.53	2.38	2.26	2.18	2.11	2.05	2.00	1.96	1.93	1.90	1.87	1.85
58	4.01	3.16	2.76	2.53	2.37	2.26	2.17	2.10	2.05	2.00	1.96	1.92	1.89	1.87	1.84
59	4.00	3.15	2.76	2.53	2.37	2.26	2.17	2.10	2.04	2.00	1.96	1.92	1.89	1.86	1.84
60	4.00	3.15	2.76	2.53	2.37	2.25	2.17	2.10	2.04	1.99	1.95	1.92	1.89	1.86	1.84
61	4.00	3.15	2.76	2.52	2.37	2.25	2.16	2.09	2.04	1.99	1.95	1.91	1.88	1.86	1.83
62	4.00	3.15	2.75	2.52	2.36	2.25	2.16	2.09	2.03	1.99	1.95	1.91	1.88	1.85	1.83
63	3.99	3.14	2.75	2.52	2.36	2.25	2.16	2.09	2.03	1.98	1.94	1.91	1.88	1.85	1.83
64	3.99	3.14	2.75	2.52	2.36	2.24	2.16	2.09	2.03	1.98	1.94	1.91	1.88	1.85	1.83
65	3.99	3.14	2.75	2.51	2.36	2.24	2.15	2.08	2.03	1.98	1.94	1.90	1.87	1.85	1.82
66	3.99	3.14	2.74	2.51	2.35	2.24	2.15	2.08	2.03	1.98	1.94	1.90	1.87	1.84	1.82
67	3.98	3.13	2.74	2.51	2.35	2.24	2.15	2.08	2.02	1.98	1.93	1.90	1.87	1.84	1.82
68	3.98	3.13	2.74	2.51	2.35	2.24	2.15	2.08	2.02	1.97	1.93	1.90	1.87	1.84	1.82
69	3.98	3.13	2.74	2.50	2.35	2.23	2.15	2.08	2.02	1.97	1.93	1.90	1.86	1.84	1.81
70	3.98	3.13	2.74	2.50	2.35	2.23	2.14	2.07	2.02	1.97	1.93	1.89	1.86	1.84	1.81
71	3.98	3.13	2.73	2.50	2.34	2.23	2.14	2.07	2.01	1.97	1.93	1.89	1.86	1.83	1.81
72	3.97	3.12	2.73	2.50	2.34	2.23	2.14	2.07	2.01	1.96	1.92	1.89	1.86	1.83	1.81
73	3.97	3.12	2.73	2.50	2.34	2.23	2.14	2.07	2.01	1.96	1.92	1.89	1.86	1.83	1.81
74	3.97	3.12	2.73	2.50	2.34	2.22	2.14	2.07	2.01	1.96	1.92	1.89	1.85	1.83	1.80
75	3.97	3.12	2.73	2.49	2.34	2.22	2.13	2.06	2.01	1.96	1.92	1.88	1.85	1.83	1.80
76	3.97	3.12	2.72	2.49	2.33	2.22	2.13	2.06	2.01	1.96	1.92	1.88	1.85	1.82	1.80
77	3.97	3.12	2.72	2.49	2.33	2.22	2.13	2.06	2.00	1.96	1.92	1.88	1.85	1.82	1.80
78	3.96	3.11	2.72	2.49	2.33	2.22	2.13	2.06	2.00	1.95	1.91	1.88	1.85	1.82	1.80
79	3.96	3.11	2.72	2.49	2.33	2.22	2.13	2.06	2.00	1.95	1.91	1.88	1.85	1.82	1.79
80	3.96	3.11	2.72	2.49	2.33	2.21	2.13	2.06	2.00	1.95	1.91	1.88	1.84	1.82	1.79
81	3.96	3.11	2.72	2.48	2.33	2.21	2.12	2.05	2.00	1.95	1.91	1.87	1.84	1.82	1.79
82	3.96	3.11	2.72	2.48	2.33	2.21	2.12	2.05	2.00	1.95	1.91	1.87	1.84	1.81	1.79
83	3.96	3.11	2.71	2.48	2.32	2.21	2.12	2.05	1.99	1.95	1.91	1.87	1.84	1.81	1.79
84	3.95	3.11	2.71	2.48	2.32	2.21	2.12	2.05	1.99	1.95	1.90	1.87	1.84	1.81	1.79
85	3.95	3.10	2.71	2.48	2.32	2.21	2.12	2.05	1.99	1.94	1.90	1.87	1.84	1.81	1.79
86	3.95	3.10	2.71	2.48	2.32	2.21	2.12	2.05	1.99	1.94	1.90	1.87	1.84	1.81	1.78
87	3.95	3.10	2.71	2.48	2.32	2.20	2.12	2.05	1.99	1.94	1.90	1.87	1.83	1.81	1.78
88	3.95	3.10	2.71	2.48	2.32	2.20	2.12	2.05	1.99	1.94	1.90	1.86	1.83	1.81	1.78
89	3.95	3.10	2.71	2.47	2.32	2.20	2.11	2.04	1.99	1.94	1.90	1.86	1.83	1.80	1.78
90	3.95	3.10	2.71	2.47	2.32	2.20	2.11	2.04	1.99	1.94	1.90	1.86	1.83	1.80	1.78

## DURBIN-WATSON TABLE

### Tabel Durbin-Watson (DW), $\alpha = 5\%$

Tabel Durbin-Watson (DW),  $\alpha = 5\%$

n	k=1		k=2		k=3		k=4		k=5	
	dL	dU								
6	0.6102	1.4002								
7	0.6996	1.3564	0.4672	1.8964						
8	0.7629	1.3324	0.5591	1.7771	0.3674	2.2866				
9	0.8243	1.3199	0.6291	1.6993	0.4548	2.1282	0.2957	2.5881		
10	0.8791	1.3197	0.6972	1.6413	0.5253	2.0163	0.3760	2.4137	0.2427	2.8217
11	0.9273	1.3241	0.7580	1.6044	0.5948	1.9280	0.4441	2.2833	0.3155	2.6446
12	0.9708	1.3314	0.8122	1.5794	0.6577	1.8640	0.5120	2.1766	0.3796	2.5061
13	1.0097	1.3404	0.8612	1.5621	0.7147	1.8159	0.5745	2.0943	0.4445	2.3897
14	1.0450	1.3503	0.9054	1.5507	0.7667	1.7788	0.6321	2.0296	0.5052	2.2959
15	1.0770	1.3605	0.9455	1.5432	0.8140	1.7501	0.6852	1.9774	0.5620	2.2198
16	1.1062	1.3709	0.9820	1.5386	0.8572	1.7277	0.7340	1.9351	0.6150	2.1567
17	1.1330	1.3812	1.0154	1.5361	0.8968	1.7101	0.7790	1.9005	0.6641	2.1041
18	1.1576	1.3913	1.0461	1.5353	0.9331	1.6961	0.8204	1.8719	0.7098	2.0600
19	1.1804	1.4012	1.0743	1.5355	0.9666	1.6851	0.8588	1.8482	0.7523	2.0226
20	1.2015	1.4107	1.1004	1.5367	0.9976	1.6763	0.8943	1.8283	0.7918	1.9908
21	1.2212	1.4200	1.1246	1.5385	1.0262	1.6694	0.9272	1.8116	0.8286	1.9635
22	1.2395	1.4289	1.1471	1.5408	1.0529	1.6640	0.9578	1.7974	0.8629	1.9400
23	1.2567	1.4375	1.1682	1.5435	1.0778	1.6597	0.9864	1.7855	0.8949	1.9196
24	1.2728	1.4458	1.1878	1.5464	1.1010	1.6565	1.0131	1.7753	0.9249	1.9018
25	1.2879	1.4537	1.2063	1.5495	1.1228	1.6540	1.0381	1.7666	0.9530	1.8863
26	1.3022	1.4614	1.2236	1.5528	1.1432	1.6523	1.0616	1.7591	0.9794	1.8727
27	1.3157	1.4688	1.2399	1.5562	1.1624	1.6510	1.0836	1.7527	1.0042	1.8608
28	1.3284	1.4759	1.2553	1.5596	1.1805	1.6503	1.1044	1.7473	1.0276	1.8502
29	1.3405	1.4828	1.2699	1.5631	1.1976	1.6499	1.1241	1.7426	1.0497	1.8409
30	1.3520	1.4894	1.2837	1.5666	1.2138	1.6498	1.1426	1.7386	1.0706	1.8326
31	1.3630	1.4957	1.2969	1.5701	1.2292	1.6500	1.1602	1.7352	1.0904	1.8252
32	1.3734	1.5019	1.3093	1.5736	1.2437	1.6505	1.1769	1.7323	1.1092	1.8187
33	1.3834	1.5078	1.3212	1.5770	1.2576	1.6511	1.1927	1.7298	1.1270	1.8128
34	1.3929	1.5136	1.3325	1.5805	1.2707	1.6519	1.2078	1.7277	1.1439	1.8076
35	1.4019	1.5191	1.3433	1.5838	1.2833	1.6528	1.2221	1.7259	1.1601	1.8029
36	1.4107	1.5245	1.3537	1.5872	1.2953	1.6539	1.2358	1.7245	1.1755	1.7987
37	1.4190	1.5297	1.3635	1.5904	1.3068	1.6550	1.2489	1.7233	1.1901	1.7950
38	1.4270	1.5348	1.3730	1.5937	1.3177	1.6563	1.2614	1.7223	1.2042	1.7916
39	1.4347	1.5396	1.3821	1.5969	1.3283	1.6575	1.2734	1.7215	1.2176	1.7886
40	1.4421	1.5444	1.3908	1.6000	1.3384	1.6589	1.2848	1.7209	1.2305	1.7859
41	1.4493	1.5490	1.3992	1.6031	1.3480	1.6603	1.2958	1.7205	1.2428	1.7835
42	1.4562	1.5534	1.4073	1.6061	1.3573	1.6617	1.3064	1.7202	1.2546	1.7814
43	1.4628	1.5577	1.4151	1.6091	1.3663	1.6632	1.3166	1.7200	1.2660	1.7794
44	1.4692	1.5619	1.4226	1.6120	1.3749	1.6647	1.3263	1.7200	1.2769	1.7777
45	1.4754	1.5660	1.4298	1.6148	1.3832	1.6662	1.3357	1.7200	1.2874	1.7762
46	1.4814	1.5700	1.4368	1.6176	1.3912	1.6677	1.3448	1.7201	1.2976	1.7748
47	1.4872	1.5739	1.4435	1.6204	1.3989	1.6692	1.3535	1.7203	1.3073	1.7736
48	1.4928	1.5776	1.4500	1.6231	1.4064	1.6708	1.3619	1.7206	1.3167	1.7725
49	1.4982	1.5813	1.4564	1.6257	1.4136	1.6723	1.3701	1.7210	1.3258	1.7716
50	1.5035	1.5849	1.4625	1.6283	1.4206	1.6739	1.3779	1.7214	1.3346	1.7708

51	1.5086	1.5884	1.4684	1.6309	1.4273	1.6754	1.3855	1.7218	1.3431	1.7701
52	1.5135	1.5917	1.4741	1.6334	1.4339	1.6769	1.3929	1.7223	1.3512	1.7694
53	1.5183	1.5951	1.4797	1.6359	1.4402	1.6785	1.4000	1.7228	1.3592	1.7689
54	1.5230	1.5983	1.4851	1.6383	1.4464	1.6800	1.4069	1.7234	1.3669	1.7684
55	1.5276	1.6014	1.4903	1.6406	1.4523	1.6815	1.4136	1.7240	1.3743	1.7681
56	1.5320	1.6045	1.4954	1.6430	1.4581	1.6830	1.4201	1.7246	1.3815	1.7678
57	1.5363	1.6075	1.5004	1.6452	1.4637	1.6845	1.4264	1.7253	1.3885	1.7675
58	1.5405	1.6105	1.5052	1.6475	1.4692	1.6860	1.4325	1.7259	1.3953	1.7673
59	1.5446	1.6134	1.5099	1.6497	1.4745	1.6875	1.4385	1.7266	1.4019	1.7672
60	1.5485	1.6162	1.5144	1.6518	1.4797	1.6889	1.4443	1.7274	1.4083	1.7671
61	1.5524	1.6189	1.5189	1.6540	1.4847	1.6904	1.4499	1.7281	1.4146	1.7671
62	1.5562	1.6216	1.5232	1.6561	1.4896	1.6918	1.4554	1.7288	1.4206	1.7671
63	1.5599	1.6243	1.5274	1.6581	1.4943	1.6932	1.4607	1.7296	1.4265	1.7671
64	1.5635	1.6268	1.5315	1.6601	1.4990	1.6946	1.4659	1.7303	1.4322	1.7672
65	1.5670	1.6294	1.5355	1.6621	1.5035	1.6960	1.4709	1.7311	1.4378	1.7673
66	1.5704	1.6318	1.5395	1.6640	1.5079	1.6974	1.4758	1.7319	1.4433	1.7675
67	1.5738	1.6343	1.5433	1.6660	1.5122	1.6988	1.4806	1.7327	1.4486	1.7676
68	1.5771	1.6367	1.5470	1.6678	1.5164	1.7001	1.4853	1.7335	1.4537	1.7678
69	1.5803	1.6390	1.5507	1.6697	1.5205	1.7015	1.4899	1.7343	1.4588	1.7680
70	1.5834	1.6413	1.5542	1.6715	1.5245	1.7028	1.4943	1.7351	1.4637	1.7683

71	1.5865	1.6435	1.5577	1.6733	1.5284	1.7041	1.4987	1.7358	1.4685	1.7685
72	1.5895	1.6457	1.5611	1.6751	1.5323	1.7054	1.5029	1.7366	1.4732	1.7688
73	1.5924	1.6479	1.5645	1.6768	1.5360	1.7067	1.5071	1.7375	1.4778	1.7691
74	1.5953	1.6500	1.5677	1.6785	1.5397	1.7079	1.5112	1.7383	1.4822	1.7694
75	1.5981	1.6521	1.5709	1.6802	1.5432	1.7092	1.5151	1.7390	1.4866	1.7698
76	1.6009	1.6541	1.5740	1.6819	1.5467	1.7104	1.5190	1.7399	1.4909	1.7701
77	1.6036	1.6561	1.5771	1.6835	1.5502	1.7117	1.5228	1.7407	1.4950	1.7704
78	1.6063	1.6581	1.5801	1.6851	1.5535	1.7129	1.5265	1.7415	1.4991	1.7708
79	1.6089	1.6601	1.5830	1.6867	1.5568	1.7141	1.5302	1.7423	1.5031	1.7712
80	1.6114	1.6620	1.5859	1.6882	1.5600	1.7153	1.5337	1.7430	1.5070	1.7716
81	1.6139	1.6639	1.5888	1.6898	1.5632	1.7164	1.5372	1.7438	1.5109	1.7720
82	1.6164	1.6657	1.5915	1.6913	1.5663	1.7176	1.5406	1.7446	1.5146	1.7724
83	1.6188	1.6675	1.5942	1.6928	1.5693	1.7187	1.5440	1.7454	1.5183	1.7728
84	1.6212	1.6693	1.5969	1.6942	1.5723	1.7199	1.5472	1.7462	1.5219	1.7732
85	1.6235	1.6711	1.5995	1.6957	1.5752	1.7210	1.5505	1.7470	1.5254	1.7736
86	1.6258	1.6728	1.6021	1.6971	1.5780	1.7221	1.5536	1.7478	1.5289	1.7740
87	1.6280	1.6745	1.6046	1.6985	1.5808	1.7232	1.5567	1.7485	1.5322	1.7745
88	1.6302	1.6762	1.6071	1.6999	1.5836	1.7243	1.5597	1.7493	1.5356	1.7749
89	1.6324	1.6778	1.6095	1.7013	1.5863	1.7254	1.5627	1.7501	1.5388	1.7754
90	1.6345	1.6794	1.6119	1.7026	1.5889	1.7264	1.5656	1.7508	1.5420	1.7758
91	1.6366	1.6810	1.6143	1.7040	1.5915	1.7275	1.5685	1.7516	1.5452	1.7763
92	1.6387	1.6826	1.6166	1.7053	1.5941	1.7285	1.5713	1.7523	1.5482	1.7767
93	1.6407	1.6841	1.6188	1.7066	1.5966	1.7295	1.5741	1.7531	1.5513	1.7772
94	1.6427	1.6857	1.6211	1.7078	1.5991	1.7306	1.5768	1.7538	1.5542	1.7776
95	1.6447	1.6872	1.6233	1.7091	1.6015	1.7316	1.5795	1.7546	1.5572	1.7781
96	1.6466	1.6887	1.6254	1.7103	1.6039	1.7326	1.5821	1.7553	1.5600	1.7785
97	1.6485	1.6901	1.6275	1.7116	1.6063	1.7335	1.5847	1.7560	1.5628	1.7790
98	1.6504	1.6916	1.6296	1.7128	1.6086	1.7345	1.5872	1.7567	1.5656	1.7795
99	1.6522	1.6930	1.6317	1.7140	1.6108	1.7355	1.5897	1.7575	1.5683	1.7799
100	1.6540	1.6944	1.6337	1.7152	1.6131	1.7364	1.5922	1.7582	1.5710	1.7804

# **Advisor Appointment Letter**

# **Mini-Thesis Guidance Card**