THE EFFECT OF THE APPLICATION OF PSAK 116, DEBT LEVEL AND LIQUIDITY ON COMPANY VALUE IN THE AUTOMOTIVE AND COMPONENT SUBSECTOR COMPANIES FOR THE PERIOD 2021-2024

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ABSTRACT

The implementation of PSAK 116 changes the accounting treatment of leases by requiring lessees to recognize right-of-use assets and lease liabilities on the balance sheet, thereby potentially affecting the financial structure and value of the company. This study analyzes the effect of the implementation of PSAK 116 (through right-of-use assets and lease liabilities), debt levels, and liquidity on company value in automotive and component sub-sector companies listed on the Indonesia Stock Exchange (IDX) for the period 2021–2024. Using purposive sampling, nine companies that met the criteria were obtained, resulting in 36 observations. Data analysis was performed using multiple linear regression with the help of the latest version of SPSS. The results show that right-of-use assets have a positive and significant effect on company value (significance 0.012 < 0.05; coefficient 9.751), as does debt level (significance 0.033 < 0.05; coefficient 0.091). Conversely, lease liabilities and liquidity did not have a significant effect on company value (with significance of 0.586 and 0.634 > 0.05, respectively). Simultaneously, the four independent variables have a significant effect on company value, as indicated by the F test with a significance of 0.013 (< 0.05). However, the model is only able to explain 24.2% of the variation in company value, while the rest is influenced by external factors outside the model.

Keywords: ***PSAK 116, Right-of-Use Assets, Lease Liabilities, Debt Levels, Liquidity, Enterprise Value.***