

BIOLOGICAL ASSET: WHAT IS THE IMPACT ON AGRICULTURAL COMPANIES?

Maulida Dwi Kartikasari, Dien Noviany Rahmatika, Sumarno

Accounting Department, Pancasakti University, Jalan Halmahera KM 1 Tegal

Email: maulidadwikartikasari@upstegal.ac.id

Abstract

This study aims to determine the effect of managerial stock, biological asset intensity and firm size on the disclosure of biological assets in agricultural companies listed on the Indonesian stock exchange in 2016-2019. Population in this study were primary consumer goods sector companies in agricultural companies listed on the Indonesia Stock Exchange. Based on sample selection, there are 52 companies that required The data analysis technique used in this research was the multiple linear regression analysis.. Based on the multiple linear regression analysis, the results show biological asset intensity have a significance below 0.05, namely 0.006. This shows that biological asset intensity have a significant positive effect on biological asset disclosure. However, the firm size and managerial ownership variables have a significance value above 5%. This means that the two variables do not have a significant effect on biological asset disclosure in agricultural companies listed on the Indonesia Stock Exchange in 2016-2019.

Keywords : managerial stock, biological asset intensity, firm size, biological asset disclosure.

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1. INTRODUCTION

Indonesia is a tropical country with abundant natural resources. Agriculture is divided into several sub-sectors, namely livestock, forestry, fisheries, horticulture, floriculture and plantations (Trina, 2017). Natural commodities or what we know as agriculture are a real impact of the abundance of natural resources in Indonesia. Factors such as geography, geology and astronomy are the forming facts of the abundance of biodiversity in Indonesia. agricultural sector plays an important role for the economic progress of countries in the Southeast Asian region because the majority of export commodities that ASEAN countries rely on are agricultural products. The geographic location and climate are not much different which causes countries in the Southeast Asia region to have similarities in the natural resources produced (Abrar, 2019). Agriculture has become a strategic objective to improve the standard of living of the Indonesian people in relation to the provision of food. By utilizing existing natural resources, Indonesian people can plant various kinds of agriculture and take these

products. The characteristics that distinguish this plantation industry from other sectors are to produce products that are consumed or processed more than activities shown by biological changes in crops and management, these changes require a measurement of agricultural companies in order to show assets fairly and in accordance with contribution of the company to make a profit. BPS data states that in 2015-2017 the performance of agricultural development can boost the national economy. For the plantation sector in 2015 it was 2.9%, 2016 was 3.42% and 2017 was 5.40%, for the horticulture sector in 2015 it was 1.51%, 2016 was 2.80% and in 2017 it was 4.80 % while for sub-3 the livestock sector in 2015 amounted to 2.1%, 2016 amounted to 1.6% and in 2017 amounted to 4.80%. However, when we explore more deeply about the agricultural sector, the one with the best level is in the plantation sub-sector. The main GDP commodities of the plantation sub-sector include coffee, cocoa, coconut, sugarcane rubber, and also palm oil. As for the livestock sub-sector, such as poultry, large, small livestock and milk. And the GDP of the horticulture

sub-sector is chilies, bananas, shallots and potatoes (Putri & Siregar, 2019).

The Covid-19 pandemic still has an impact on all aspects of national economic life and even the world. The decline occurred in a number of economic sectors. When other sectors experienced a decline or slowdown, in contrast to the agricultural sector, it actually increased in the second and third quarters of 2020. In the second quarter the GDP of the agricultural sector grew 16.24% and in the third quarter it grew 2.15%. The growth of the agricultural sector at the same time makes its contribution to the national economy continue to strengthen. This can be seen from the increase in the contribution to the GDP in the third quarter which increased to 571.87 trillion rupiah or 14.68% (Ditjenbun, 2020)

One of the main pillars of the positive growth of GDP in the agricultural sector last quarter was the plantation sub-sector, with a contribution in the third quarter of IDR 163.49 trillion or 28.59%. This is due to an increase in demand for plantation commodities such as cocoa, rubber, tobacco and cloves as well as an increase in foreign demand for palm oil (CPO) processed commodities. Based on data conducted by the Central Statistics Agency (BPS), plantation exports in the January-October 2020 period amounted to 359.5 trillion Rupiah, an increase of 11.6% compared to the same period in 2019 of 322.1 trillion. With such a value, the plantation sub-sector became the largest contributor to exports in the agricultural sector with a contribution of 90.92 percent. The export of plantation commodities which surged in January-October was contributed most by rubber, palm oil, cocoa, coconut and coffee. The highest plantation export occurred in October, amounting to 38.46 trillion Rupiah with an increase of 8.76 percent from the previous month (Ditjenbun, 2020). The phenomenon that occurs in agricultural companies in Indonesia. is related to the disclosure of biological assets by these companies which are not in accordance with PSAK-69. Disclosure of biological assets is carried out in the annual report, as well as other accounting policies, which are in PSAK-69 which includes recognition, disclosure and measurement (Sa'diyah et al., 2019). In a company there must be transparency because the level of transparency will increase by disclosing more information in the financial statements (Al & Ahmed, 2012).

In a flexible sense, disclosure is the release of information. Disclosure is a quantitative information

as well as other information, financial and non-financial information carried out by a company as communication information to reflect the company's performance and position. This information is presented in the form of financial statements that are used by internal and external parties in the decision making process. In order for the information in financial statements to be understood and not misinterpreted by users of financial statements, the presentation must be accompanied by disclosures (Hayati, 2020). The fact is that there are still companies that do not disclose information in accordance with the accounting practices required by users. This exposes users to inappropriate circumstances or has difficulty making their judgment decisions.

Biological assets are animals or plants that can produce agricultural assets. Any living plant or animal that can produce agricultural assets can be called biological assets. Plant and animal assets are called biological assets, why are they said to be biological assets because they undergo biological transformation (Utomo&Khumaidah, 2014). For example, if a company produces and sells cow's milk as the main product, for example, cows are known as a biological asset and milk is an agricultural asset. Apart from understanding, PSAK 69 also presents items that must be included in the disclosure of biological assets, both mandatory and additional.

The standard requires proper disclosure of biological assets, in order to provide reliable and accurate information, so as not to harm the users of the information. Because, biological transformation allows the information presented by agricultural companies to be more savage than companies in other sectors. This is because the true value of assets tends to change along with the transformation of these assets (Eltanto, 2014). In practice, the achievement of financial performance in agricultural sector companies, in this case, is that the forestry sector is very much influenced by the accounting policies of the forestplant assets (Hidayah and Zarkasyi, 2017)

According to IAS 41, a biological asset is defined as a biological asset is a living animal or plant. According to Safitri (2013) there are changes or biological transformations in biological assets. According to Ridwan (2011) the unique nature of biological assets results in several time outcomes, namely degeneration (decrease in value in quantity or deterioration in the quality of biological assets,

growth) (increase in quantity or improvement in the quality of biological assets). The transformation of biological assets such as dynamic physical, changes in size, age and amount affects the economic value and benefits of the assets themselves.

According to Safitri (2013) biological assets can be grouped into 2 types based on their useful life, namely long-term biological assets, long term biological assets, which are biological assets that have a useful life with a term of more than one period. For example, these assets are animals or plants that can be harvested or sold for more than one period, such as fruit-producing crops such as guava, durian, mango, apples and others. And long-lived livestock such as donkeys, cows, horses, goats etc., then short-term biological assets are biological assets in the form of animals or plants that can be harvested or sold during the first or second year after breeding such as chickens, fish, duck, corn, rice and others. According to Ridwan (2011) there are 2 types of biological assets, namely biological assets of basic materials, for example wood production as paper material and inherited biological assets such as wool production from sheep.

Realizing the importance of provisions that specifically regulate the disclosure of biological assets, the Indonesian Institute of Accountants' Financial Accounting Standards board (2018) decided to adopt IAS 41 Agriculture by issuing the Exposure Draft (ED) PSAK 69 on agriculture and it was ratified on December 16, 2015. PSAK 69: Agriculture effective to be applied to the financial statements of agricultural companies on January 1, 2018. In Indonesia Aliffatun&Sa'adah (2020) The contents of this PSAK-69 are about the accounting treatment of agricultural companies which includes reporting of biological assets, presentation, disclosure and measurement. Previously, there was PSAK-69, first there was PSAK-16 regarding fixed assets as a reference for agriculture in Indonesia (Kusumadewi, 2018).

Disclosure of biological assets will increase along with the increase made by agricultural companies that occur in the intensity of these biological assets. Duwu et al. (2018). biological asset intensity is an illustration of how much the proportion of company investment to biological assets in a company (Alfiani&Rahmawati, 2019). According to Gonçalves & Lopes (2014), biological asset intensity can also describe the expectation of cash received if the asset is sold. if a company has a high biological

asset value, the company will make disclosures in the notes to the financial statements (Putri &Siregar, 2019).

The purpose of asset disclosure is to serve various parties who have different interests and also to achieve the objectives of financial statements (Suwardjono, 2014: 580). The entity's disclosure of assets is immature biological assets, mature biological assets, bearer biological assets, and consumable biological assets. All of them are differentiators from quantitative descriptive disclosures of biological assets (PSAK-69, 2018).Accordingto the Zahroh and Hamidah, (2017) CGPI positively affectsprofitability, leverage has a negative influence on profitability,and company size negatively affects profitability. Accordingto Dzingai and Fakoya (2017), corporate governance affectsfinancial performance, and also proved too that it also positivelyinfluences business performance

Regarding research on the disclosure of biological assets, it has not been done much as an object of research (Kusumadewi, 2018). The results of research conducted by Hayati (2020) say that biological asset intensity has a positive effect on the disclosure of biological assets. Firm size according to Aliffatun&Sa'adah (2020) states that company size affects the disclosure of biological assets. According to Gustria& Sebrina (2020), the firm size has a positive effect on the disclosure of biological assets. Meanwhile, managerial ownership according to Putra (2019) stated that managerial ownership has no effect on disclosure of biological assets. this research period from 2016-2019. The reason for choosing this research period is because in that year there was an increase in economic growth in the agricultural sub-sector of the plantation sector. In addition, this study uses plantation companies, whereas in previous studies, all sectors of agricultural companies are used. The reason the researchers chose a plantation company was a tendency that was more complicated in managing their biological assets in the plantation sector company.

Agency Theory

Jensen and Meckling (1976) explain agency theory is a contractual relationship involving two or more parties. The two parties are the agent and principal. An agent is a party (management) who is trusted, given the authority and responsibility from the shareholders to control the company in order to achieve the wishes of the shareholders. The principal

parties in this case are shareholders (Kurnia and Anis, 2017). This theory is a business reference and a basic foundation in the company. This agency theory describes the relationship or correlation between the agent (management) and the principal in the cooperation agreement or nexus of contract (Siddiq et al, 2017).

According to this theory, the correlation or relationship between the principal (shareholder) and the agent (management) is difficult to materialize because of a conflict of interest. This conflict of interest causes distrust of each other because the agent will prioritize his personal interests and underestimate the interests of the principal. Conditions like these are what provide a great opportunity for agents to cheat. This fraud arises because of the human nature of self-interest, has limited thinking regarding future understanding, and will always avoid risk (risk averse). Factors related to self-interest are pressure, ability and arrogance, while factors related to risk averse are opportunity and rationalization (Aprillia, 2017).

Morally, the performance of a company in increasing profits for shareholders is the responsibility of management, management also has an interest in prospering itself (Ijudien, 2018). This condition causes an imbalance of information or asymmetrical information, so that this is a great opportunity for management to commit fraud, by manipulating the information presented in the financial statements.

Stakeholder Theory

Stakeholder theory is a theory which states that a company must provide benefits to stakeholders, and not only operate for its own interests (Ghozali & Chariri, 2016). Stakeholders have the right to know information from organizational activities that can affect their power. Stakeholders consist of holders, customers, suppliers, government, society, shares, analysis and other parties. These users have various interests and roles regarding the organization in carrying out its operations. However, the survival of the company depends on the support provided by existing stakeholders (Deegan, 2009).

Company management can make efforts to reap the help and confidence of each stakeholder, and present the information that users want (Alfiani & Rahmawati, 2019). In order for the information provided to be understood and not misinterpreted, it

must be accompanied by an annual disclosure report. Flexible disclosure will enable the company to easily attract investors and provide trust and ensure creditors to increase their funding for the company (Amelia, 2017).

Managerial Stock and Biological Asset

Disclosure

Ownership concentration is a measure of the distribution of power in power taking. Ownership concentration shows how and who is in control of company ownership and who is in control of the business activities of a company in Kamijaya 2019. Antonia (2008) states that in terms of managers, they will try to maximize to prioritize company interests compared to personal interests. Because, the greater the manager's ownership in the company, the more productive the manager's actions are in maximizing disclosure of biological assets. Managerial ownership actively participates in company decision making, the better the company will be in disclosing financial statements in the notes to financial statements and the more productive the manager's actions are in maximizing information regarding disclosure of biological assets. The results of research conducted by Nasir et al. (2013) stated that managerial ownership has an effect on disclosure. Based on the theory and research results above, it can be concluded that the greater the percentage of company stock ownership, the more productive the manager's actions are in maximizing information regarding the disclosure of biological assets. Similar to the research results from Riski (2019), ownership concentration affects the disclosure of biological assets.

H1: Managerial Stock has an effect on biological assets disclosure

Biological Asset Intensity and Biological

Asset Disclosure

Biological asset intensity is a description of how much the company's investment value for biological assets. If a company has a high biological asset value, then the company tends to want to disclose it in the notes to the company's financial statements (Sa'diyah, 2019). Biological asset intensity describes how big the proportion of company investment is to its biological assets. The research results of Sakinattunnisak & Budiwinarto (2020) state that biological asset intensity has a significant positive effect on disclosure of biological assets. In the results of Hayati's research (2020) there is a relationship

which shows that biological asset intensity has a positive and significant effect on the disclosure of biological assets in agricultural companies in Indonesia. the higher the biological asset intensity The greater the urge to disclose more complete and clear information related to the biological assets owned by a company. A fair value measurement (Bahri, 2015) gives more considerable in obtaining a measure of financial performance or position for ascertain period, especially for a long biological transformation. With the net gain from changes in the fair value of biological assets in the income statement that can increase gross profit can increase net profit which will affect the amount of the company's final capital so that it will increase. According to research Bohušová et al. (2012), how biological assets are measured affects the financial of agricultural sector.

H2: biological asset intensity has an effect on biological assets disclosure

Firm Size and Biological Asset Disclosure

Firm size is a measure of the size of the assets owned by the company because large companies generally have large total assets generally have large total assets and vice versa, if the small-scale companies generally have small total assets (Riski, 2019). So it can be concluded that the larger the company size, the greater the assets owned by the company and if the company is small, the total assets owned are also very small. In the results of research Aliffatun & Sa'adah (2020) proves that company size affects the disclosure of biological assets in agricultural companies, here the size of the company can encourage company management to disclose information on its biological assets. The results of research by Selahudin & Sfarhana uniten edumy (2018) show that large companies can be influenced to disclose more information than small companies, that company size is positively related to mandatory disclosure because cleaner companies may have sufficient resources to bear the costs of disclosure and need to maintain their image and reputation. A study of (Pervan, 2012) conducted for the period 2002-2010 and the results revealed that the size of the company has a significant positive (albeit weak) influence on company profitability. In addition, (Wufron, 2017) in his research concluded that simultaneously total assets and total sales have a significant effect on financial performance. Research results show that simultaneously the ESOP variable,

leverage, and company size affect the company's performance as measured by ROA and NPM. According to the Kakani et al. (2011) state that large companies are more profitable.

H3: Firm Size has an effect on biological assets disclosure

2. RESEARCH METHOD

This study applies a quantitative approach in compiling research, hypotheses, data, data analysis including its conclusions, until the writing applies aspects of measurement, calculation, formula, and numerical certainty. Judging from the underlying view of causal possibility, this approach provides a separation between simultaneous real temporal causes that start before ending in the appearance of its effects.

The analysis method used in this research is descriptive statistical analysis which is used to describe or describe data which can be seen from the standard deviation, the mean (mean), variance, minimum and maximum values. A good regression model is a regression model that uses the classical assumption test. The classic assumption test is carried out in 4 (four) ways, namely the normality test, multicollinearity test, autocorrelation test, and heteroscedasticity test before testing the hypothesis. This study uses multiple linear regression analysis. Multiple linear regression analysis was used to determine the effect of the independent variables on the dependent variable. The multiple regression model in this study is as follows:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e$$

Where:

Y = biological asset disclosure

a = Intercept

X1 = Managerial Stock

X2 = Biological Asset Intensity

X3 = Firm Size

e = Residual value (the values of other variables not included in the equation)

Population and Sample

The population used in this study are agricultural companies listed on the Indonesia Stock Exchange during the 2016-2019 period. This study uses selected research samples from agricultural companies listed on the Indonesia Stock Exchange (IDX) during the

2016-2019 period according to the specified criteria. Agricultural sector companies were chosen because of their tendency to be more complex in managing their biological assets than other sectors. The following are the criteria for selecting samples that have been determined.

Table 1. Sample Selection Criteria

Criteria	Number of Companies
Population of Agriculture companies listed on the Indonesia Stock Exchange for the period 2016-2019	19
The company does not display annual financial reports that are in accordance with research in the 2016-2019 period	6
Companies selected as samples for 4 years	52

Dependent variable

Dependent variable in this study is the disclosure of biological assets. The Indonesian Accounting Association (IAI) states that biological assets state that biological assets are live plants or animals or agricultural plants that the company owns from past activities. The conclusion can be drawn from the above definition, namely, biological assets are assets in the form of live plants and livestock owned by agricultural companies that have characteristics due to the biological transformation of these assets.

Agricultural activity is an attempt to manage biological changes from biological assets to obtain a product that can be consumed and processed further so that biological assets are assets that are mostly used in agricultural activities. The biological changes that are felt by this biological asset are the special characteristics that distinguish this asset.

In accordance with IAS 41 (2003: 44) the characteristics inherent in biological assets can be divided into 2, namely consumable assets or biological assets that can be consumed are as agricultural production. Biological assets will be harvested or sold, for example wheat, corn, trees planted for wood, meat production and livestock owned for sale. The second is Carrier assets are assets other than assets classified as depleted biological assets, for example vines and trees that produce wood while the trees are still alive, livestock to produce

milk. Self-regeneration is a biological asset carrier that does not produce agricultural products.

This measurement at fair value less costs to sell at the point of harvest is used to measure agricultural products harvested from the entity's biological assets. The grouping of biological assets or agricultural products according to the attributes. Significant is the supporting material for measuring the fair value of biological assets or agricultural products. For example, an entity selects attributes that correspond to attributes used in a pricing market based on quality as well as age. To sell biological assets or agricultural products at a future date, the entity often enters into a contract, measuring the fair value of the contract price is not always relevant, because current market conditions reflect the fair value that the buying and selling market participants will undertake as a result. Because of this contract, the fair values of biological assets and agricultural products are not adjusted. In addition to measurement based on fair value, according to the minister of finance regulation No. 24 /PMK.03/2008 regarding depreciation of expenditures to acquire tangible assets owned or used in certain business fields, measurement of biological assets can also be done by identifying all expenditures to acquire these biological assets and then making them the value of the biological assets. Below is a list of biological asset disclosure items:

Table 2. Biological Asset Disclosure Items

No	Paragraph	Disclosure Index	Score
		<i>Mandatory item:</i>	
		Gains or losses arising during the period:	
1	26	Early recognition of biological assets	1
2	26	Early recognition of agricultural products	1
3	26	Changes in fair value less costs to sell	1
4	30	Description of each group of biological assets	1
5	31	Explanation of paragraphs	1
6	32	Explanation of paragraph disclosures	1
7	33	Description of the company's activities in each group of biological assets	1

		Explanation of non-financial stages	
8	46	Assets available at the end of the period	1
9	46	Agricultural produce during this period	1
10	51	Assumptions and methods used in determining the fair value of each agricultural product at the point of harvest and each group of biological assets	1
11	51	Fair value less costs to sell agricultural products harvested during that period	1
12	49	Information relating to restricted or pledged biological assets	1
13	49	Commitments in the development or acquisition of biological assets	1
14	49	Management strategies related to the financial risk of biological assets	1
15	46	Adjustments related to changes in the carrying amount of biological assets at the beginning and end of the period	1
16	50	Reconciliation which includes desegregation	1
	54	Additional disclosures when fair value cannot be measured reliably	
	54	Entities measure and disclose biological assets at their cost less accumulated depreciation and accumulated impairment	
17	54	Description of biological assets	1
18	54	An explanation of why fair value cannot be measured reliably	1
19	54	Estimated extent of fair value non-conformity	1
20	54	The depreciation method used	1
21	54	The useful life or depreciation rate used	1

22	54	The gross carrying amount and the accumulated depreciation (accumulated impairment losses) at the beginning and end of the period	1
23	55	Recognition of gain or loss from sale of biological assets	1
24	55	Impairment loss, related to discontinuation	1
25	55	Reversal for impairment loss related to discontinuation	1
26	55	Depreciation Related to Termination	1
	56	Related entity disclosures - The fair value of biological assets previously measured at cost less accumulated depreciation and impairment losses are reliably measurable during the period	
27	56	Description of biological assets	1
28	56	An explanation of why fair value has been measured reliably	1
29	56	The effect of these changes	1
	57	Government grant-related entity disclosures	
30	57	Government grants	1
31	57	Recognition regarding the nature and extent of deep government grants	1
32	57	financial statements	1
33	57	The conditions are met and other inherent contingencies	1
		on government grants	
		A significant reduction in the level of government grants	
34	42	Non-Mandatory but recommended items:	1
35	43	A description of the calculation of each group of biological	1

		assets, which distinguishes them by:	
36	40	Consumable and bearer asset	1
37	NA	Adult and immature assets	1
38	NA	The amount of changes in fair value less costs to sell, affects profit or loss due to physical changes and changes in price	1
39	NA	This information is conveyed by biological assets	1
40	NA	Information regarding securities valuation	1

Source: PSAK-69 Agrikultur dan IAS 41

Independent Variable

Independent variables in this study are Biological Asset Intensity, Firm Size, and Managerial Ownership. The following is an explanation of each independent variable.

Biological assets that are assets owned by agricultural sector companies in the form of livestock or agricultural plants which have different characteristics from other assets because there is a biological transformation of the assets (Riski, 2019). Agricultural companies whose main assets are biological assets are required to carry out disclosure of biological assets. Related to information on biological assets, it can be useful for stakeholders to find out how big the proportion of company investment in biological assets is in a company.

Company size is a scale that can classify companies into large and small companies in a way that is assessed from the company's total assets, stock market value, average sales size and number of sales in a company (Duwu, 2018). Company size is a measure of the size of the assets owned by the company because generally large companies have large asset values and small-scale companies generally have small total assets (Riski, 2019).

Managerial ownership is the amount of share ownership by the management of the overall share capital of the company being managed. In this study, ownership is measured by the percentage of the number of shares owned by management (Nasir et al., 2013). This potential issue of interest causes the importance of a mechanism to be implemented to protect the interests of shareholders. The conflict of

interest between the manager and the owner gets bigger when the manager's ownership of the company gets smaller. In this case the manager will try to maximize his own interests compared to the interests of the company. Conversely, if the greater the ownership of the manager in the company, the more productive the manager's actions are in maximizing the disclosure of biological assets.

The table below is the measurement and operationalization of the dependent and independent variables.

Table 3. Operational Variables

Variable	Indicator	Measurement	Source
<i>Biological Asset Disclosure (Y)</i>	Number of completeness items that are fulfilled and the number of items that may be fulfilled in the disclosure of biological assets	Index Wallace $= \frac{n}{k} \times 100\%$	Arison (2017)
<i>Managerial Stock</i>	The number of managerial shares and the number of shares outstanding	number of managerial shares / number of shares outstanding	Nasir (2017)
<i>Biological Asset Intensity</i>	Assets in the form of live animals and plants and total assets	$(\text{Aset Biol ogis}) / (\text{Total Aset})$	Riski (2019)
<i>Firm Size</i>	Total Asset	Ln (Total Asset)	Aliffatun (2020)

3. RESULT AND DISCUSSION

Result Statistic Descriptive Analysis

Table 4. Statistic Descriptive

Var	Min	Max	Mean	STD Deviation	N
X1	0,00	0,87	0,244	0,2020	52
X2	0,5	0,62	0,300	0,16375	52
X3	25,43	31,40	29,73	1,321	52
Y	0,53	0,69	0,598	0,0377	52

Source : processed data SPSS (2021)

Based on the results of descriptive statistical tests with a total sample of 52 companies, the results show that the biological asset intensity variable has a minimum value of 0.5, maximum value of 0.62, a mean value of 0.300 and a standard deviation value 0.16375. Variable firm size has minimum value of 25,43, maximum value of 31,40, mean value of 29,73 and a standard deviation value 1,321. Variable Managerial Stock has minimum value of 0,00, maximum value of 0,244, mean value of 0,244 and a standard deviation value 0,2020. And the last variable biological asset disclosure has minimum value of 0,53, maximum value of 0,69, mean value of 0,598 and a standard deviation value 0,0377.

Table 5. Classical Assumption

	Normality	Multicollinearity	Heteroskedasticity	Autocorrelation
X1	√	√	√	√
X2	√	√	√	√
X3	√	√	√	√
Y	√	√	√	√

source: processed data SPSS (2021)

The results of table 4 show that all variables are free from the classical assumption test. this shows that hypothesis testing can be done.

Based on the results of the multiple regression test, the results of the study are as shown in Table 5 below :

Table 6. Hypothesis Test

Model	B	T	Sig
1 (Constant)	0,742	3,459	0.01
Managerial Stock	-0,082	-2,561	0,14
Biological Asset Intensity	-0,167	-2,921	0,006
Firm Size	-0,03	-0,399	0,692

source: processed data SPSS (2021)

Multiple regression test results shown in Table 5 show that the biological asset intensity variable measured using Assets in the form of live animals and plants and total asset has a significance value of $0.006 < 0.05$. This means that H2 has a significant effect on biological asset disclosure. Next, firm size is measured based

total asset company has a significance value of $0.692 > 0.005$. This shows that firm size does not have a significant effect on biological asset disclosure. The managerial stock variable has a significance of $0.14 > 0.05$, which means that X3 has not significant positive effect biological asset disclosure.

Discussion

Magnitude of the intensity of biological assets in agricultural companies does not guarantee the extent of disclosure of biological assets carried out by these companies. It is evident from the results of research that shows that the score of disclosure of biological assets in agricultural companies, both with large biological asset intensity and small biological asset intensity, is not much different. This happens because biological assets are the main assets owned by agricultural companies, so that no matter what the circumstances are, the company will still disclose its biological assets. Another reason is the accounting standard related to disclosure of biological assets that was only passed in December 2015 and will only become effective in January 2018, which causes companies with a greater intensity of biological assets to think that several matters related to their biological assets are not required to be disclosed in annual reports. This is in line with the results of research conducted by (Pramitasari, 2018) which states that biological asset intensity has a significant negative effect on the disclosure of biological assets.

Agricultural companies that have large total assets sometimes do not necessarily have large biological assets, so this shows that agricultural companies that have large total assets do not guarantee that they will pay attention to the breadth and completeness of disclosure of their biological assets compared to companies that have total assets. in small quantities. Agricultural companies with small total assets, they also have the same interest in attracting the attention of external parties, so that agricultural companies that have small total assets will still disclose their biological assets at least in order to compete with large companies. Another reason is that the new agricultural accounting standards will become effective in January 2018, which has led several large

companies to assume that certain matters related to their biological assets are not required to be disclosed in their annual reports. Thus, the size of agricultural companies, whether small, medium or large, does not have an effect on the disclosure of biological assets. This research is in line with the results of research conducted by (Alfiani, 2019; Kusumadewi, 2018) which states that company size has no effect on the disclosure of biological assets.

The results of tests carried out using SPSS 20 show that Managerial ownership has no effect on asset disclosure biological. Managerial stock variable is proxied by measurement comparing the number of managerial shareholdings with the number the outstanding shares multiplied by one hundred. Managerial ownership is that the increase in managerial ownership in the company encourage managers to create optimal company performance and motivate managers to act wisely because they participate bear the consequences for their actions (Wiriadinata, 2015). More and more the greater the ownership of managers in the company, the more productive it is the manager's actions in maximizing disclosure of biological assets. This research is contradictory in research (Nasir, 2013) and (Antonia, 2008) which states that managerial ownership effect on disclosure. It means when a company have managerial ownership, it is not necessarily a company provides a wealth of information regarding disclosures of biological assets. Based on the definition of managerial ownership is a condition indicates that the manager owns shares in the company. Principal as a party who does not follow the day to day operations of the company want the widest possible disclosure of information. For that in order the manager feels responsible so it is given a number shares to company managers in the hope that the managers can disclose information in the company for the sake of principal (Anisah, 2018). But the results of this study prove that the percentage of shares owned by directors and directors is not ensure that the manager party to provide relevant information disclosure of biological assets to the principal. This research is consistent with research conducted by (Wiriadinata, 2015) and (Anisah, 2018) which states that managerial ownership has no effect to the disclosure of biological assets.

Simultaneously test explain that biological asset intensity, firm size, and managerial ownership affect the disclosure of biological assets. Biological asset intensity, supported by a theory which explains that biological assets are assets in the form of animals or live plants which are the main assets owned by agricultural companies. As the main asset, the large proportion of a company's investment in its biological assets should also be disclosed in the annual report as a form of reporting by agricultural companies on assets it has managed, which are a source of profit for agricultural companies. Agricultural companies with large total assets tend to disclose more extensive and complete information, but it does not rule out the possibility for small companies to disclose their biological assets completely in an effort to attract the attention of external parties and to compete with large companies.

4. CONCLUSION

The results of the above discussion can be concluded that firm size and managerial stock no significant effect on biological asset disclosure, while biological asset intensity has a significant positive effect on biological asset disclosure agricultural companies listed on the Indonesian stock exchange in 2016-2019. Based on the limitations found, the researchers expect the following suggestions can complement further research is expected to use the population an even larger number of studies, using the most recent years and extending the observation period of the research in order to provide an up-to-date overview of disclosures of biological assets, add test variables others that may affect the disclosure of biological assets, agricultural companies are expected to express more details of biological assets managed by the company. Starting from the moment initial recognition, at the time of the harvest, and when the assets are already produce and immature. So that users report finance bias is clearer.

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