Debit Credit Framing Effect in The Investment Allocation Decision

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Abstract

This study aims to test the effect of accounting information in the investment decision if information is framed in debit or credit. This study attempts to develop or formulate the framing instruments that essenced in accounting debit credit concept. The quasi experiment is applied for undergraduate accounting students. Wilcoxon ranks test is applied to test the data. The results show that there are framing effects which asset information is more favorable than liabilities, revenue information is more favorable than asset, and equity information is more favorable than asset. There is a tendency that revenue information is more favorable than expenses. This research means that there is framing effect in the accounting information when information is given separately only debit or credit, it should be reduced by giving complete information of debit credit transactions.

Keywords: framing effect, accounting, debit-credit, behavior.

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1. INTRODUCTION

Accounting information is important for the managers and other stakeholders in the decisions process. However, there is possibility that the decision makers only watch the exhibited financial information without consider the full meaning of accounting information based on its sources and allocations. Moreover, if the information provided has been framed for the information provider interest. Tversky & Kahneman (1981) said that framing effect make the change of individual preferences when the same case is framed by different way. Framing effect has been widely studied in the decision making, the prospect theory (Kahneman & Tversky, 1979) then be the most theory to explain the framing effect. Prospect theory is the result of the criticize to the utility theory. But in the growed time, the fuzzy-trace theory also indicated has the power to explain framing effect in the accounting context (Chang et al. 2002; Arifin 2003).

In the former study framing-effect likely tested in the form of positive or negative information that imply the existence of a profit or loss, but aren’t specifically to compare the information based on debit and credit in the accounting. This study attempts to develop or formulate the framing instrument that essenced in accounting debit credit concept. Incompleteness debit and credit information as an example can be found likely informing the increasing assets (debit) but didn’t inform that the increasing was due to an increase in the debt or equity (credit).

This study tries to find what is the framing effect if information give only one side debit or credit. The focus study is the effect of framing in the portfolio investment decision. The accounting knows that the transaction has two impact on debit and credit. Debit is the allocation and credit is the source. Incompletenss information make miss perception in the judgment process. So, this study will test the effect of framing in the information of asset vs liabilities, asset vs equity, asset vs revenue, and expense vs revenue.

The assumption of this this study are (1) respondents haven’t have the understanding of framing effect, so their decision are based on how to interprete and favor of received information. (2) Respondents understand about the kind information of assets, liabilities, equities, revenue, and expense. (3) Respondents can use the information in the judgment of how much fund portion to invest.

This study aims to make experimental in the form of accounting information framing effect if the given information showing nominal value in debit side only or credit side only. This study also give effort to develop the instrument in the form of statement cases after vew some former references in framing cases.

The research contributions are, first to give understanding and viewpoint about the impact of assymmetry information by framing accounting information. The framing is in the form of serving account information of debit side only or credit side only. Second, this study develops the experimental cases that can be used and expanded in the next future. Third, this research support good practices which the information provider gives full information about the sources and allocations based on accounting information debit credit.

2. LITERATURE REVIEW

2.1. Framing effect

The frame concepts have been an analysis instrument in some fields, including psychology, sociology, business management, investment behavior, negotiation, decision making, and others (Liu et al. 2010). Further, frames are the cognitive
shortcut that peoples used to understanding the complex information and simplify the complex phenomon.

(Kahneman & Tversky, 1979) state that there is a tendency, called the isolation effect, leads to inconsistent preferences when the same choice is presented in different forms. Framing effects refer to the changes in risk preferences as a result on how choices are described, or framed (Wang 1996: 145). Tversky & Kahneman (1981: 453) state the psychological principles that govern the perception of decision problems and the evaluation of probabilities and outcomes produce predictable shifts of preferences when the same problem is framed in different ways. Druckman (2001) says a framing effect occurs when different, but logically equivalent, words or phrases (e.q. 10% employment or 90% unemployment) cause individuals to alter their decisions. Furthermore, Ring (2015) seize the relation between emotion and judgmental heuristics. In general, framing describes a judgmental heuristic where individuals react systematically different to the same choice problem depending on how it is presented.

For example in the scope of marketing research, there is a different effect in the judgment of decision when informing the time in the form of a year, 12 months, or 365 days (Ulkemen & Thomas 2013). The customers as respondens in that research are favor the information of 1 year than 12 months or 365 days. Peoples feel more easier to make a plan in 1 year than 12 months, because using annualy form make easy in calculation.

In the accounting discipline is not just only studied prospect theory but also the alternative theory like fuzzy trace theory (FTT) (example: Chang et al. 2002; Arifin 2003). Brainerd & Reyna (1990) state that fuzzy trace theory is a gist-driven interpretation of cognitive development that has descended from.

Some researchs on framing effect are summarized in the table below. This framing effect is sourced from some discipline studies.

Goal framing in the Tonetto & Stein (2009) said there is a change of persuasiveness level from communication content when message is given in different way. Example, when people are offered a credit card they will get two messages communicated that the gain of credit card and the loss if don’t have a credit card. Actually people give weight for information of the loss if don’t have a credit card. This research context apply framming effect in the accounting domain. Former researchs used framing in the positive or negative (gains or losses) from the outcome reference marked by null value (Tversky & Kahneman 1981). This research wants to see a framing from accounting view by debit or credit. Debit or credit can represent a positive and negative, gain and loss, allocation and source.

2.2. Investment Decision

Seo et al (2010) have examined the role of affect (pleasant or unpleasant feelings) and decision frames (gains or losses) in risk taking of stack investment. After experiencing losses, individuals made more risky choices, in keeping with the framing effect. However, this tendency decreased and/or disappeared when loss was simultaneously experienced with either pleasant or unpleasant feelings. Simiarly, individuals' tendency to avoid risk after experiencing gains disappeared or even reserved when they simultaneously experienced pleasant feelings.

In some cases, investor face a complexity in decision making. Liu et al. (2010) state that traders in the complexity of choosing the decision in market investment framing will choose the simply option. To reduce the information bias, the investor need profesionlism, sophistication, and experience.
### Table 1. The Study of Framing Effect

<table>
<thead>
<tr>
<th>Authors</th>
<th>Topics</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chang et al. (2002)</td>
<td>The information for management decision, a comparison model of prospect theory, probabilistic mental models, dan fuzzy-trace theory.</td>
<td>Fuzzy-trace theory explains better of framing effect phenomenom in the accounting context.</td>
</tr>
<tr>
<td>Arifin (2003)</td>
<td>The testing of the fuzzy-trace theory ability to explain framing effect in the investment decision.</td>
<td>Fuzzy-trace theory can able to explain the framing bias.</td>
</tr>
<tr>
<td>Tonetto &amp; Stein (2009)</td>
<td>Goal Framing: gain and loss framing in the credit card moderated by consumer involvement &amp; need for cognition (NfC) in credit card persuasiveness.</td>
<td>Peoples who have credit card are more favourable the gain information, but there is no impact of NfC.</td>
</tr>
<tr>
<td>Ulkemen, Thomas, Morwitz 2008 (as cited in Ulkemen &amp; Thomas, 2013)</td>
<td>Budgeting: the effect of time duration information.</td>
<td>One year is more favorable than others form.</td>
</tr>
<tr>
<td>Yahya &amp; Surya (2012)</td>
<td>Framing effect based on prospect theory in the escalation commitment and moderated by experiences.</td>
<td>Experiences: a business practioner hasn’t affected but student has.</td>
</tr>
<tr>
<td>Sun et al (2012)</td>
<td>Graph framing effect</td>
<td>Graphically visual information has effect of framing, but constant if there is a number and its explanation.</td>
</tr>
<tr>
<td>Ambarwati et al. (2013)</td>
<td>Framing effect on discount message by percentage or price nominally.</td>
<td>If promo value is small, people will favor to choose percentage information. But, if the promo value is huge people will favor to choose price value information.</td>
</tr>
<tr>
<td>Ulkemen &amp; Thomas (2013)</td>
<td>Marketing: the effect of time duration.</td>
<td>Annual duration information is more favorable than others.</td>
</tr>
</tbody>
</table>

Kumar & Lim (2008) state that collectively, the evidence indicates that the choice of decision frmaes is likely to be an important determinant of investment decisions. They also find that the degree of trade clustering is related to investors’ stock preferences and portfolios. Traditionally, portfolio scene indicates that investors formulate the transaction decision by maximize the utility prediction by their wealthy. So, the investors will evaluate the portfolios based on wealth aggregation. However in this psychological context, individuals will always linked to the narrow framing that ignored the interaction among some decision. By this framing context, I argue that favourable accounting information are earing increasing, asset increasing, but ignoring the sources information of that increasing.
2.3. Decision Problem

Decision problem is the acts or option among which one must choose, the possible outcomes or consequences of these acts, and the contingencies or conditional probabilities that related outcomes to acts (Tversky & Kahneman 1981: 453). Furthermore, the frame that a decision-maker adopts is controlled partly by the formulation of the problem and partly by the norms, habits, and personal characteristics of the decision-maker. One of problem frames which widely known is the case of “Asian Desease Problem”.

Chang et al. (2002) have tested undergraduate students in the managerial decision making. The study is based on experiment to compare prospect theory, fuzzy-trace theory and probabilistic mental models. The study uses classic problem and Asian disease-type business scenario. The study has result that fuzzy-trace theory (FTT) gives better approach in explaining the framing effect phenomenon of decision making in the accounting context. The finding of Chang et al. (2002) support Simon (1956) that individuals are commonly affected by human cognitive limitations. Further, Simon (1956) stated that there was approximation in the limited information processing and calculation facility, that is the lack of definitive knowledge in the decision making process. Based on fuzzy-trace theory, Chang (2002) is also states when individuals can’t simplify the information, they will process the information in the numerical level.

2.4. Debit and Credit

In an accounting history article, Warsono (2011) said that debit and credit in accounting has been exist more than 500 years. Debit credit is a fundamental in accounting study. Debit credit theory is based on algebra in Summa de Arithmetica by Luca Pacioli. In modern accounting book, debit is left side and credit is right side. This two sides have balancing value, and it doesn’t allow negative number, it means that the sources are never in negative condition. Accounting which debit credit is a unique knowledge, as like in electricity there is binary number 0 and 1 to symbolize “on” dan “off”. Left side or debit can be understood as fund allocation, and right side or credit is fund sources.

Consequently, the essence of framing debit credit will be different in some contexts from framing positive and negative (plus and minus). Simplify, debit credit has left side and right side, each side handles adding and subtracting transactions. Example, adding assets, because the normal position of assets are in debit side, so the adding of asset will be in debit, contrary the decreasing of assets will be in credit side (the nominal will be positif in credit) as negatif symbol of assets. Other situation, when positive and negative are applied in account which has a normal balance in credit as like liabilities or equities. When there are increasing of liabilities or equities, there will be a new record in credit side (in positive nominal number), when there are decreasing of liabilities or equities there will be new record in debit side.

Debit credit framing effect needs more understanding of accounting context, it is more complex than positive and negative. Because in debit there are positive and negative events, also in credit there are positive and negative events.

This study uses debit credit context to learn the framing effects in accounting information. Remembering that the fundamental of accounting is debit credit concept. Then, debit credit will be applied in asset vs liability, asset vs equity, asset vs revenue, and expense vs revenue. The study examine the information effect if that information is given separately in debit side only and in credit side only.
Daily, the framing of debit credit can be found. The information is not fully provided, so affect the perception of receivers. Example, the nation state the adding 20 units of military plane (asset adding/debit side). This information is seem good to the government performance. Are peoples aware the adding of plane sourcing from government loan (credit side). Other example, uprising public servant salary (debit/adding expense) is more favorable information than adding loan report (credit). So, this framing effect of debit credit has happen in political scope.

2.5. Hypothesis Development

2.5.1 Framing effects on liability and asset information

The finding of Chang et al. (2002) states that there is correlation among framing effect and individuals' risk preferences. Refer to that study, this study propose that the information of loan uprising will be riskier than uprising asset. The information users will have difference preferences if they receive information of asset value and if loan value.

Some cases can be found that peoples more favorable to hear the plan of adding asset than adding loan. Example, people feel more acceptable the plan to buy new plan or new sheep by the nation than the plan of new borrowing/loan.

H1: Individuals give more weight on asset uprising information than liability uprising information in the investment decision.

2.5.2 Framing effects on revenue and asset information

Yahya & Surya (2012) base on finance management state that manager objective endeavor to maximize the company earning. Manager has to avoid non benefit project. This logic is also applied by common people. Based on that thinking, this study make analogy that when people hear the uprising revenue information, they will think of uprising income. Other side, when people hear the uprising asset, they will think inefficient cost to buy new asset.

This study predict that individuals more receivable to hear the information of uprising the revenue or income than uprising asset. Eventhough, in fact that the uprising of income is come from the use of asset, or the uprising of asset is used to make the more uprising income.

H2: Individuals give more weight on revenue uprising information than asset uprising information in investment decision.

2.5.3 Framing effects on companies investment value

Investors may feel easier to catch information that increase in capital will enable the companies to uprise the image than information of developing new building on the new location, the new building or that new location may hasn’t impact to the income in near time. In fact, may the capital increasing will be used by the company to develop that building. But may people assume that the impact of this new building on new location will occure in long term periode. So they will favor the short term effect by choose the information of increasing capital.

H3: Individuals give more weight on equity uprising information than asset uprising information in investment decision.
2.5.4 Framing effects on expense and revenue information

Yahya & Surya (2012) said that managers have objectives to maximize the earning and avoid the loss, so individuals will easier to receive the earning prediction information. The expenses increasing are viewed as earning reducing/lowering. However, in operating fact, the expenses increasing are used to advancing the company income and performance in the future.

H4: Individuals give lower weight on expense increasing than revenue increasing in investment decision.

3. RESEARCH METHOD

This study uses quacy experiment methode by paper and pen media. This reserach apply 2 decision choice of each cases in 4 cases. The respondents are undergraduate accounting students in 4th semester and above. This semester level is assumed that the students have known the essence of accounting information and kowning the double entry to handle the transaction. Respondents are also assumed to understand that the increasing of one account will impact to other account. The study had been take place in the classroom of Widya Mandala Madiun University. The study had been held in February untill July of 2015.

3.1. Instrument Validation

The instrument of debit credit framing effect is developed in the form of cases on investment portfolios decision making. As my experience haven’t found that same cases, so this study tries to develop 4 cases in debit credit framing (see appendix 1). Content validity is done by colleagues accounting lecturers. Pilot test is done by accounting students in 7th semester and above. The students try to fulfil the cases and give a suggestions to the instrument.

3.2. Experiment Procedure

After the respondent enter to the room, they assign the presence. Then reseacher communicate the research materials and give reward/compensation information. The compensation to the respondents in this research is Rp5.000,- to compensate their time and seriousness in filling the research. The information of research materials are short explanation about investment portfolio decision, how to fill the cases, and time duration to fill the cases. Then the instuments are given to the respondents. The instrument materials are biography, debriefing, and the cases.

3.3. Data Testing

Each cases has a pair of information of: 1) asset vs liability, 2) asset vs revenue, 3) asset vs equity, and 4) expense vs revenue. The effect of framing is tested by dependent-samples t-test of each cases. The test is to find the inclining of information choosen in investment decicion that indicated from mean scores of each cases.

Dependent-samples t-test (DS) is also known as matched-pairs t test or paired-samples t test (Lee 2013). Dependent-samples t-test compares the mean value from two conditions in a same group. For example, DS is applied to test the scores before the training and after the training in a group. So, the data has two pair scores that are before and after. That mean value of before and after is tested by DS t-test.

DS t-test is parametric statistic, so assumption test is needed especialy normality test. This study use one-sample kolmogorov-smirnov to access the statistical normality. The data has normal distribution when asymp. Sig (2 tailed) > 5%. Also normality can be accessed from critical ratio (CR) value of skewness and curtosis, the data is normal if CR (z value) ± 2,58 significance of 1% (Hair et al.
2010), or its value is near to zero (Park, 2008). If the data hasn’t normal distribution, so the alternative is non-parametric test using wilcoxon signed-rank test (McDonald 2014). Unfortunately, the data of this research hasn’t normal distribution (see table 4 normality test), so this study uses wilcoxon signed-rank test.

This study tests the differences of investment portion which taked by responden based on first case (A) and second case (B). Every case indicated the accounting category, example assets (A) vs liabilities (B), assets (A) vs equity (B), etc. The matching categories is shown in the below table.

<table>
<thead>
<tr>
<th>Cases</th>
<th>Framing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Case 1</td>
<td>Asset Liability</td>
</tr>
<tr>
<td>Case 2</td>
<td>Asset Revenue</td>
</tr>
<tr>
<td>Case 3</td>
<td>Asset Equity</td>
</tr>
<tr>
<td>Case 4</td>
<td>Expense Revenue</td>
</tr>
</tbody>
</table>

4. DATA ANALYSIS AND DISCUSSION

4.1. Descriptives

This below table is the result of compare mean test. The comparation is objectives to know the mean value of 4th semester students and 6th students. There are 28 responden of accounting students in 4th semester, and 30 students in 6th semester. So, total of respondents are 58 students.

<table>
<thead>
<tr>
<th>Semester</th>
<th>A1</th>
<th>A2</th>
<th>B1</th>
<th>B2</th>
<th>C1</th>
<th>C2</th>
<th>D1</th>
<th>D2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smt. 4</td>
<td>Mean</td>
<td>69.29</td>
<td>30.71</td>
<td>42.14</td>
<td>57.86</td>
<td>40.36</td>
<td>59.64</td>
<td>49.29</td>
</tr>
<tr>
<td>Smt. 6</td>
<td>Mean</td>
<td>66.33</td>
<td>33.67</td>
<td>44.67</td>
<td>55.33</td>
<td>43.00</td>
<td>57.00</td>
<td>43.00</td>
</tr>
<tr>
<td>Total</td>
<td>Mean</td>
<td>67.76</td>
<td>32.24</td>
<td>43.45</td>
<td>56.55</td>
<td>41.72</td>
<td>58.28</td>
<td>46.03</td>
</tr>
</tbody>
</table>

| Anova F  | 0.359  | 0.359  | 0.358  | 0.358  | 0.287  | 0.287  | 0.636  | 0.636  |
| Sig.     | 0.551  | 0.551  | 0.552  | 0.552  | 0.594  | 0.594  | 0.429  | 0.429  |

Although, the mean value there are higher or lower mean value of each semester, but the differences aren’t significance. The most difference value is in variable D, its variable camparing the D1 (expense) vs D2 (revenue), the difference is about 7 poin (7%) higher and lower, but this difference isn’t statistical significance. Other variable differences are lower than 3 poin.
4.2. Assumption Test

The data normality test is accessed by Kolmogorov Smirnov (K-S). But, the result shows that the data hasn’t normal distribution as shown in the below table.

<table>
<thead>
<tr>
<th>Table 4. Kolmogorov Smirnov Normality Test</th>
</tr>
</thead>
<tbody>
<tr>
<td>------------</td>
</tr>
<tr>
<td>N</td>
</tr>
<tr>
<td>Normal Parameters</td>
</tr>
<tr>
<td>Mean</td>
</tr>
<tr>
<td>Std. Deviation</td>
</tr>
<tr>
<td>Most extreme Differences</td>
</tr>
<tr>
<td>Absolute</td>
</tr>
<tr>
<td>Positive</td>
</tr>
<tr>
<td>Negative</td>
</tr>
<tr>
<td>Kolmogorov-Smirnov Z</td>
</tr>
<tr>
<td>Asymp. Sig. (2-tailed)</td>
</tr>
</tbody>
</table>

KS testing show Z value off all variables <5%, its indicates non normal distribution. Although the data are converted into root square to try fixing problem, but the non normal distribution is still exist. By this situation, then the data is analyzed by paired sample t test Wilcoxon Ranks Test of non-parametric statistical.

4.3. Wilcoxon Ranks Test

<table>
<thead>
<tr>
<th>Table 5. The Result of Wilcoxon Ranks Test</th>
</tr>
</thead>
<tbody>
<tr>
<td>A2-A1</td>
</tr>
<tr>
<td>Z</td>
</tr>
<tr>
<td>Asymp. Sig. (2-tailed)</td>
</tr>
</tbody>
</table>

The Wilcoxon Ranks Test shows the variables which have differences in variabel A1 (asset) vs A2 (liability), variable B1 (asset) vs B2 (revenue), dan C1 (asset) vs C2 (equity). While, variabel D1 (expense) vs D2 (revenue) hasn’t significantly different. That conditions are happen when the information is given separately or just one side of information, or when the informations don’t show the sources and allocations in the same time. Furhter, the camparation of expense and revenue shows insignificance difference even so the respondents give higher score for expense information than revenue information.

4.4. Hypotheses Testing and Discussion

Asset vs Liability (H1)

The prediction is samples will more favor to the assets information than liabilities information. The hypothesis 2 said that people will more favor to decide investment based on increasing assets information than increasing liabilities information. Tabel 4.3 shows Wilcoxon Ranks Test Z value = -5.340 and signifinance by 0.000. The compare mean in Tabel 4.1. shows assets mean 67.76 and liabilities mean 32,24, it’s shows the prospect weight to assets information is 67% and liabilities information is 32%. The statistical test suport the statement that assets information give the higher effect to the investor decision than liabilities information. This condition is happen when the information is given separately only assets information or liabilities information. Although in accounting debit credit this information is one part of a journal record that assets is debit and liabilities is credit. So, the H1 is confirmed by statistical test.
The increasing of assets don’t have higher risk effect but it increasing the advance of the companies. Other than increasing liabilities, individuals see as the probabilities outflow cash in the future. Other figures can be read in some Indonesia press and peoples feel happy when there are new military airplanes, new highways or tollroads, new housings, new harbours, etcetera. But people give negatives response when they hear the increased national borrowing.

This research results can be used as recomendation materials for information providers to give full and balancing information of fund allocation (debit) and fund sources (credit), so the information users have completely information in considering the decision. Other side, the information users (receivers) need to trace more information when there are assets increasing information, where is the sources come from, is it come from the loan (liabilities) increasing.

**Asset vs Revenue (H2)**

Prediction in hypotheses is that people will give more weight on information of the increasing revenue than the increasing assets. Z score is -0.943 significance of 0.003. The table of mean comparation shows that B1 (asset) is 43.45 and revenue is 56.55. So, **H2 is confirmed** by statistical test.

The information of increasing revenue is the trigger of perception that earning will increase too. In fact, the increasing of revenue doesn’t automatically make an increasing of earning, example when the expenses are also increase. Other side, the increasing of assets may be used to make a growing of revenue in the next future, because the assets are facilitations to reach the business result. But, this study shows that the information of increasing revenue is more favour than increasing assets, when the information is given separatley.

**Asset vs Equity (H3)**

Hypothesis 3 said that people will more favorable when received information of increasing equity (C2) than information of developing new location (C1). Develop new location seem like increasing expense, even though in fact that this developing location will result increasing assets aren’t expenses. So the receiver information will more comfort when hear the adding of equity eventhough that the increasing of equity will be alocated to make assets funding in the new location.

Statistical test shows Z score = -3.092 significance 0.002. Mean value of descriptive statistic shows equity 58.28% and asset 43.00%. Mean value indicates that equity information take priority than new asset in a new location information. So, **hypotnesis 3 is confirmed** by statistical test.

**Expense vs Revenue (H4)**

The prediction in hyphothesis 4 is individuals give more wight to the information of increasing revenue (D2) than increasing expense (D1). The wilcoxon rank test shows Z score = -1.025 significance 0.305. So, **hypotnesis 4 isn't confirmed** by statistical test.

But, from the mean value indicates that revenue (D2) has higher score of 53.97 than expense (D1) 46.03. The mean score indicates that revenue information is more favourable than expense information (although the result of wilcoxon rank test isn’t significance). Hyphothesis 4 is the only insignificance result by this research. May be the respondents who is in the last semester has understood that effort accomply the result, expense will make revenue (java: *jer basuki mawa beya* (Suwardjono 2005)) as they learn in accounting theory in the topic of cost and expense. As in the case 4 of this research, the adding of information system expense and publication expense is judged that in the next future will make
company revenue, although currently they are more favor to choose revenue information.

4.5. Findings and Generally Discussion

As the prediction of framing effect when information is provided separately or incompletely it will give the different perception by the information users that affected to the different choices or decisions. This study applies framing effect of the information especially in accounting scope by comparing information in debit and credit side. Commonly known that every transaction will affect one side in debit and one side in credit, finally all the transactions will impact the balances number in debit side and credit side. The number of balances is presented in financial statements in the financial position statement and income statement. Each component or account has normal balance position. Accounts in financial statement component show normal balance: assets in debit side, liabilities in credit side, and equity in credit side. Accounts in income statement components show normal balance: expenses in debit, and revenue in credit. This research compare the debit and credit position that proxied by asset vs liability, asset vs equity, asset vs revenue, and expense vs revenue. Respondents make choices of investment portion if the information of number in debit and number in credit is given separately. The information given is like that it come from two different companies, although in fact that is one transaction record of debit and credit journal.

When respondents are asked to choose the investment portion which separately information of debit and credit record, they choose different based on their sense of the prospect prediction. Between asset and liability information they choose asset, between asset and equity information they choose equity, between asset and revenue they choose revenue, and between expense and revenue they choose revenue.

Therefore, indeed it’s happen when the information is given separately or incomplete especially in accounting information, there is a potential different effect from the information receivers/users. This study is not intended to support information asymetry by giving incomplete information from debit credit, but to motivate that information providers give complete information and considering debit credit situation. Examples, when there is information of assets development where is the source of that development, when there is increasing of revenue is there expenses increasing. Other side for the information users to be careful in reading the information that seem good (increasing revenue, new building, etc.) and users need to trace more the sources or activity related.

5. CONCLUSION

This study aims to examine the debit credit framing effect in the cases of investment decision related to the information of asset vs liability, asset vs revenue, asset vs equity, and expense vs revenue. The data is taken by quacy experiment to the accounting students. The data is tested by Wilcoxon Rank Test. The results of this study show that:
1. The information of increasing asset is more favourable than increasing liability when considering to invest.
2. The information of increasing revenue is more favourable than increasing asset when considering to invest.
3. The information of increasing equity is more favourable than increasing asset when considering to invest.
4. The information of increasing revenue vs increasing expense doesn’t significantly different, but higher in statistical number of increasing revenue.

This study states the generally conclusion that there is a different perception when a pair of information as debit and credit (fund allocations and sources) is separately given. Consequently, it’s need a carefully in reading the information and the information must be given in fully context. Framing effect has been studied in some discipline and indicated to make different effect when a same information is framed in different ways, as like in accounting information.

To judge the result of this research, it must understand the limitations of this research:
1. The cases of instrument are still in the beginning level of developing, so it can be discussed to get suitable context.
2. This study is an quacy experiment for the accounting students, and they haven’t be a real investor that make an investment decision.
3. This study hasn’t used the information users from others than accounting students.

Refering to the result of this study, considering the limitation, so there are some suggestion:
1. The research instrument can be continue developed for more accommodating and detecting the framing effect phenomenon in accounting area. Other ways, developing framing effect detection in the accounting information to support the information quality then provider and users/receivers of information have a well attitude.
2. A study can be formed to the respondents in others area than accounting, because of accounting information is also used by public users and investors who didn’t learn accounting before.

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