

The Impact of the Application of PSAK 72 on the Financial Performance of Property Companies

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Abstract

This study aims to analyze revenue recognition based on PSAK 72 and its impact on the financial performance of property companies listed on the Indonesia Stock Exchange in 2019. The sample companies are 18, but only five implemented PSAK 72 in 2019. The five companies jointly implemented PSAK 71 on January 1, 2020, thus causing retrospective adjustments in 2018 and 2019 in its retained earnings that will have an impact on the statement of financial position and company performance. The method in this research uses the descriptive qualitative method. The data analysis technique used analyzes the five steps of the revenue recognition procedure based on PSAK 72. The results of this study show differences in the application of revenue recognition based on PSAK 72 with the previous standard resulting in changes in the value of revenue originating from customer contracts. Seen in each company's CR value has decreased, and the DTA value has increased for the five companies. At NPM, two companies experienced a decline due to the implementation of PSAK 72. However, the NPM at three companies has actually experienced an increase.

Keywords: customer contract, revenue, PSAK 72, current ratio, debt to asset ratio, net profit margin

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1. INTRODUCTION

Revenue is one of the accounts in the financial statements that benefits every user of financial statements to obtain information related to the company's performance. In addition, revenue is usually used as the basis for driving other calculations, namely net income and earnings per share. The main indicator for profit-oriented companies to create profit is income, so the measurement of the value of income must be carried out fairly in accordance with the applicable revenue recognition principles.

Based on the IASB (2014), the old standard provisions on earnings make it difficult for investors and other users to understand and compare earnings information between companies. This can happen if a comparison between service and goods companies is made. This makes it difficult for investors to make decisions in determining investments. This condition became one of the backgrounds for the implementation of a joint project between the International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB) to create new standards governing income.

The result of the collaboration between the IASB and the FASB is IFRS 15: Revenue from Contracts with Customers. IFRS 15 presents a single and comprehensive accounting model for revenue recognition in order to realize the consequences of the revenue recognition principle. However, the IASB (2014) wants IFRS 15 to improve the comparability of financial statements, which became an issue when implementing IAS 8.

IAI adopted IFRS 15: Revenue from Contracts with Customers into PSAK 72: Revenue from Contracts with Customers. IAI ratified PSAK 72 on July 26, 2017; starting January 1, 2020, it will be effective. PSAK 72 requires companies to analyze transactions before determining revenue recognition. There are five stages carried out in transaction analysis: identifying contracts with customers, identifying performance obligations in contracts, determining transaction prices, allocating transaction prices to each performance obligation in the contract, and revenue recognition.

Savills Indonesia Research Director, Anton Sitorus, assessed the government's steps in implementing PSAK 72. The implementation of PSAK 72 in the short term will result in a decline in the performance of property issuers. Still, implementing PSAK 72 in the long term will help issuers because business practices are more transparent and reliable according to international market standards to attract foreign investors.

The assessment is carried out based on the value of the construction carried out in 2018. According to the developer, several new projects not carried out in the same year are not included in the calculation. The value of the projects being developed by the ten developers reaches 1.21 billion dollars or equivalent to Rp. 15.77 trillion. This condition causes income issues to become important for property companies.

This research is seen as the application of PSAK 72, which replaces PSAK 23. With this application, it is hoped that the management of property companies will be able to determine the right policies to compensate for changes in the standards governing income. The reason is that income will affect other items in the financial statement as a performance measure and determine other performance measures. This becomes important in terms of the company's relationship with investors.

Sectors that receive the impact of this standard change include the construction, telecommunications, retail, and manufacturing industrial sectors (Wisnantiasri, 2018). The sector impacts income reporting in its financial statements because the sector deals a lot in the long term. Therefore, this researcher wants to examine the impact of applying PSAK 72 on property companies listed on the IDX in 2019. Previous research on the impact of the application of PSAK 72 has not been

much because this application was only effective in 2020, so this research is still new and interesting to study. Furthermore, the use of company property is because this company recognizes its income through contracts because it can be predicted that property companies will be one of the sectors that apply PSAK 72.

Research that has examined the impact of PSAK 72 implementation includes Anggraini (2018), Wisnantiasri (2018), Farida (2018), Agustrianti et al (2020) Puspamurti and Firmansyah (2020), Rahayu (2020) and Veronica et al (2020). Research conducted by Anggraini (2018) looks at how PSAK 23 compares with PSAK 72 and its impact on the financial performance of telecommunications companies; Wisnantiasri (2018) looks at the impact of the application of PSAK 72 on shareholder value in the property, real estate, and building construction industries; Farida (2018) looks at how the implementation of PSAK 72 at PT Griya Prima Investama; Agustrianti et al (2020) looks at the impact of the application of PSAK 72 on the financial performance of property companies, real estate and building construction listed on the IDX in 2018-2019; Puspamurti and Firmansyah (2020) research examines the application of PSAK 72 related to contract revenue with customers at PT telecommunication Indonesia Tbk; Rahayu (2020:1) examines the analysis of the impact of the application of PSAK 72 on the financial performance of telecommunications companies during the covid-19 pandemic and research conducted by Veronica et al (2020) examines the analysis of the impact of the application of revenue recognition based on PSAK 72 on the financial performance of real companies. Real estate in Indonesia was listed on the Indonesia Stock Exchange in 2018.

The results of research conducted by Rahayu (2020) explain that in the application of PSAK 72 to communication companies, the average NPM has decreased. The results of research conducted by Wisnantiasri (2018) explained that property, real estate, and building construction companies welcomed the announcement of the enactment of PSAK 72. The results of research conducted by Agustrianti et al (2020) showed that the application of PSAK had an impact on financial performance. These results are in line with the results carried out by Veronica et al (2019), which explain that the implementation of PSAK 72 affects financial performance by stating that financial performance has seen a decline seen from the Net Profit Margin (NPM) ratio compared to using PSAK 44.

In previous research, many have conducted research on the impact of PSAK on real estate companies. However, in this study, researchers want to focus on examining the impact of implementing PSAK 72 on property companies because this company refers more to physical ownership (land and buildings) than real estate companies that refer to physical only (land and buildings,) so that property companies have a wider scope. The difference in the object of this research is also expected to be the contribution of researchers to future research.

2. LITERATURE REVIEW

2.1. Agency Theory

According to Scott (2015) agency theory is an activity company business involving two parties, namely the managers as an agent and investors as principals.

According to Messier et al (2019) explains that agency relationships can raises two problems, namely asymmetry information and conflicts of interest. The first problem is that information asymmetry can make management as the executor of the company's operations have more information about the company's activities than the shareholders. The second problem is conflict of interest can trigger management to sacrifice the interest of shareholders for their own interest by maximizing their profits with earnings management mechanisms. Agency theory underlies the importance of correct and quality financial reporting. Financial reports that are presented according to standards reflect the company's actual performance, then revenue recognition based on PSAK 72 must be implemented immediately in order to fulfill the company's obligations.

2.2. Accounting Standards

Accounting standards are concepts, principles, and other matters that are deliberately chosen by standard-setting bodies to be applied to a certain environment (generally in countries) based on a conceptual framework to achieve financial reporting objectives (Suwardjono, 2014). Accounting standards are contained in the form of official documents. According to Suwardjono (2014), accounting standards can be used as the main basis for treating certain objects, elements, or reporting items.

In Indonesia, the Ikatan Akuntan Indonesia (IAI) prepares financial accounting standards in the form of Pernyataan Standar Akuntansi Keuangan (PSAK). PSAK is a reference for accounting practices in Indonesia. According to PSAK 1, financial accounting standards regulate the requirements for the recognition, measurement, and disclosure of specific transactions and other events.

The history of development of Indonesian accounting standards began in 1973 with the establishment of a Committee for Gathering Materials and Structures Generally Accepted Accounting Principles (GAAP) and Generally Accepted Auditing Standards (GAAS). The Indonesian Accounting Principles Committee was formed by IAI in 1974 and ratified the Prinsip Akuntansi Indonesia (PAI). Initially, PAI referred to US GAAP. However, in 1994, IAI made a major revision of PAI into Standar Akuntansi Keuangan (SAK). Through SAK, IAI no longer refers to US GAAP but international financial accounting standards.

In 2009, an agreement was reached among G20 members to converge to International Financial Reporting Standards (IFRS). The first phase of convergence was carried out in 2012. Meanwhile, the second phase of convergence was carried out in 2013 and 2014. Until now, IAI's project of convergence of SAK to IFRS is still ongoing. Currently, the difference or gap between SAK and IFRS is only one year. One form of IAI's commitment to IFRS convergence is to adopt IFRS 15 - Revenue from Contracts with Customers to become PSAK 72 - Revenue from Contracts with Customers.

2.3. Revenue

Revenue is one of the items in the financial statement, which, together with the costs, make up the profit in the income statement. According to Suwardjono (2014),

revenues and costs are important causes of changes in equity and company operating activities. Whereas according to Musadi et al (2017) explains that income is the result compensation for the delivery of goods or services that the company produces. Income is the main element in determination of the rate of profit seen as company achievement in operation. The basic concepts of effort and result can explain the relationship between revenue and costs.

There are several definitions of income submitted by various parties. According to Wolk et al (2013), income is the result (output) of an entity in the form of products, both goods and services. This definition does not include the measurement and recognition of revenue. Meanwhile, in SFAC No. 6, the FASB defines revenue as an inflow or increase in assets or a decrease in liabilities resulting from the delivery or manufacture of products. The definition of the FASB is considered sufficient to represent the understanding of the income element.

Conceptually, revenue recognition can only be done if it meets the quality of measurability and reliability. There are two important concepts to explain the information quality criteria into revenue recognition criteria, the concept of revenue formation and the concept of revenue realization (Suwardjono, 2014). These concepts underlie the revenue recognition criteria identified by the FASB in SFAC No.5.

Based on SFAC No.5, revenue can be recognized after meeting two revenue recognition criteria: realized and entitled. Meanwhile, accounting standards provide guidelines that indicate the fulfillment of conditions at the time of recognition so that revenue can be recognized. Recognition of revenue based on critical events is one alternative to determining the time of recognition. For service companies, revenue recognition based on this critical event becomes important. This is because service companies often have difficulty recognizing events that can mark the completion of service delivery (Suwardjono, 2014).

2.4. Pernyataan Standar Akuntansi Keuangan (PSAK) 72

According to IAI (2017) Pernyataan Standar Akuntansi Keuangan (PSAK) 72 is Revenue from Contracts with Customers is adoption of IFRS 15: Revenue from Contracts with Customers. IAI just ratified PSAK 72 on July 26, 2017, effective January 1, 2020. PSAK 72 replaces all applicable financial standards in Indonesia relating to income, namely PSAK 23: Revenue, PSAK 34: Construction Contracts, PSAK 44: Accounting Real Estate Development Activities, IASK 10: Customer Loyalty Programme, IASK 21: Real Estate Construction Agreements, and IASK 27: Transfer of Assets from Customers.

PSAK 72 has an objective to establish the principle of revenue recognition whereby an entity is expected to be able to provide useful information about revenue and cash flows in terms of their nature, amount, timing, and uncertainty. In addition, the revenue within the scope of PSAK 72 regulation is only contracted originating from customers. However, PSAK 72 does not regulate revenue recognition for contracts with customers that are regulated by other PSAKs, such as leases (PSAK 30).

In PSAK 72, income is defined as income originating from the normal activities of the entity. This understanding is almost the same as the definition of income in PSAK 23, where income and profit are part of income. However, the income of some gross inflows is not explicitly stated in PSAK 72. Therefore, the meaning of income as gross or net cash flows is not very clear in PSAK 72 compared to PSAK 23.

In the discussion of revenue recognition, PSAK 72 requires an analysis of transactions based on five stages of revenue recognition. The five stages are the identification of contracts with customers, identification of performance obligations, determination of transaction prices, allocation of transaction prices for each performance obligation, and revenue recognition. Moreover, PSAK 72 identifies these criteria that act as guides and requirements for each stage.

2.5. Financial Performance

The company's financial performance can be measured in several ways, one of which is using financial risk. Financial performance appraisal using financial ratios is generally done through financial statement analysis. The ratio shows the mathematical relationship between one quantity and another (Kieso et al 2013). Meanwhile, ratio analysis shows the relationship between certain selected data in financial statements, which can be in the form of percentages or proportions (Kieso et al 2013).

There are three main financial ratios used to assess company performance, namely profitability ratios, liquidity ratios, and solvency ratios. According to Kieso et al (2013) profitability ratio is a ratio that measures the degree of success or failure of a division or organization, or company in a certain period. Meanwhile, according to Subarmanyam (2014), profitability analysis is carried out to evaluate a company's operating performance. The profitability ratios include several financial ratios, including the profit margin ratio, the gross profit margin ratio, the return on assets or ROA, and so on.

On the other hand, the liquidity ratio measures the company's ability to meet its short-term obligations (Kieso et al 2013). One of the important ratios in liquidity is the current ratio which measures the adequacy of current assets in meeting the company's current liabilities (Subarmanyam, 2014). Several other ratios that also measure liquidity are the quick ratio and the cash ratio.

Meanwhile, the solvency ratio is a ratio that measures the viability and long-term ability of the company to pay its long-term obligations (Subarmanyam, 2014). Kieso et al (2013) refer to the solvency ratio as the coverage ratio and define it as the level of protection for long-term creditors and corporate investors. This solvency or coverage ratio includes, among others, the ratio of liabilities to assets (debt-to-assets ratio), the ratio of book value per share (book value per share ratio), the cash debt coverage ratio, and so on.

3. METHODOLOGY

3.1. Research Design

This study aims to determine the income based on PSAK 72: Revenue from Contracts with Customers on the income and financial performance accounts of property companies. From this objective, this research uses a qualitative research type with a descriptive method.

According to Arikunto (2006), qualitative research does not use numbers in data collection and interpretation of results. However, this does not mean using numbers is not allowed for qualitative research. Meanwhile, according to Sekaran and Bougie (2016), a qualitative research approach is used when it uses words in its analysis.

There are many methods that can be used in qualitative research. One of the qualitative research methods is the descriptive method. The descriptive method in research means research that will be conducted to explain PSAK 72 revenue recognition and its impact on income accounts and financial performance.

3.2. Data Collection Technique

This study uses archival data collection techniques with secondary data types in the form of financial performance data taken from companies listed on the IDX. The financial statements are downloaded from the Indonesia Stock Exchange (IDX) page, namely www.idx.co.id. Data from financial statements are treated to form a partial hypothesis of revenue recognition analysis based on PSAK 72. In addition, the data is used to help analyze the impact of applying revenue recognition to financial ratios as a performance measure in property companies

The population in this study are property companies listed on the IDX. According to data on the IDX, the number of property and real estate companies have uploaded 2019 financial statements on the IDX is 40 companies. The sample to be taken in this study is property companies only. The sampling technique in this study uses purposive sampling where the sampling criteria have been determined, namely property companies that have published their financial statements on the IDX in 2019.

3.3. Data Analysis Technique

Data analysis techniques are carried out in research. This is a quantitative descriptive analysis technique. The steps of data analysis in this study follow the analysis steps carried out by previous researchers, namely Anggraini (2018), as follows:

1. Revenue Recognition Based on PSAK 72.
 - a. The first step is identifying the types of contracts with customers at property companies sampled from the financial statements section, namely the Notes to Financial Statements (NSF).
 - b. Then, from the identification results, the type of contract is selected, which is a long-term contract.

- c. Furthermore, the selected type of contract will identify the principle of revenue recognition based on PSAK 72, which is carried out in five stages: identifying the contract, determining the performance obligation, determining the transaction price, allocating the transaction price to the performance obligation, and recognizing revenue.

2. Income Calculation Based on PSAK 72.

- a. The income from long-term contracts of each company is calculated based on the revenue recognition principle in PSAK 72, and the value of revenue from these contracts is obtained from NSF using the assumption that the long-term contracts owned by the company have not been completed until the end of 2019.
- b. The results of the income calculation are then compared with the income value in accordance with PSAK 44, which is recorded in each company's Income Statement.
- c. Furthermore, the results of the comparison are interpreted in the form of an analysis of the impact of the application of revenue recognition based on PSAK 72 on the value of the revenue account.

3. Financial Performance Measurement

- a. The financial performance of each company will be measured by calculating its financial ratios. The ratios to be used are the current ratio (liquidity ratio), debt-to-asset ratio (solvability ratio), and net profit margin ratio (profitability ratio).
- b. The ratio calculation is based on the income value calculated in accordance with PSAK 72. The results of the ratio calculation are then compared between those in accordance with PSAK 72.

Measurement of financial ratios to be studied are:

1. The current ratio (Current Ratio / CR) is by the formula:

$$CR = \frac{\text{current asset}}{\text{current liability}} \times 100\%$$

2. Debt to asset ratio (DTA) with the formula:

$$DTA = \frac{\text{total liability}}{\text{total asset}} \times 100\%$$

3. Net profit margin (NPM) that is with the formula:

$$NPM = \frac{\text{net profit after tax}}{\text{total net revenue}} \times 100\%$$

In the last step, the authors interpret the results of comparing these ratios in the form of an analysis of the impact of the application of revenue recognition based on PSAK 72 on the financial performance of property companies and draw conclusions.

4. RESULT AND DISCUSSION

4.1. Result

This study uses secondary data obtained from data published on the IDX website www.idx.co.id, the form of 2019 financial statements. The number of property companies listed on the IDX in 2019 was 18 companies. However, only 5 or 27,8% of companies implemented PSAK 72 in 2019 and have made adjustments in 2019. The five companies are PT. Bhakti Agung Propertindo, Tbk with company code BAPI, PT. Trimitra Land, Tbk with company code LAND, PT. Maha Properti Indonesia, Tbk with company code MPRO, PT. PP Properti, Tbk with company code PPRO and PT. Urban Jakarta Propertindo, Tbk with company code URBN. The following is a description of the amount of data:

Table 1. Total Property Company Data in 2019

Information	Amount
Property Company	18
Companies that applied PSAK 72 in 2019	5
The number of percentages used as a sample	27.8%

Source: www.idx.co.id

For these five companies, here are the various customer contracts at the company PT. Bhakti Agung Propertindo, Tbk, PT. Trimitra Land, Tbk, PT. Maha Properti Indonesia, Tbk, PT. PP Properti, Tbk and PT. Urban Jakarta Propertindo, Tbk:

Table 2. Types of Contracts with Property Company Customers in 2019

PT. Bhakti Agung Propertindo, Tbk	PT. Trimitra Land, Tbk	PT. Maha Properti Indonesia, Tbk	PT. PP Properti, Tbk	PT. Urban Jakarta Propertindo, Tbk
1. Apartment	1. Apartment 2. Hotel	1. Apartment 2. Service 3. Utilities 4. Related Party Contract	1. Reality 2. Property	1. Apartment 2. Land

Source: Secondary data processed by researchers

Revenue recognition, according to PSAK 72, is carried out through five stages, namely:

1. Identify contracts with customers, where the company records contracts with customers only if all of the following criteria are met:
 - a. The contract has been agreed by the parties to the contract
 - b. The company can identify the rights of the parties and the payment term for the goods to be transferred
 - c. The contract has commercial substance
 - d. Most likely, the company will receive a reward for the goods transferred
2. Identify performance obligations in the contract;
3. Determine the transaction price;
4. Allocating the transaction price for each performance obligation;

5. Recognize revenue when performance obligations have been met (at a certain time or over time).

Revenue is recognized when it is probable that the economic benefits will flow to the company and the amount can be measured reliably. Revenue is measured at the fair value of the payment received, excluding discounts, rebates, and Value Added Tax (VAT). Expenses are recognized when the transaction occurs (accrual basis).

The five property companies, namely PT. Bhakti Agung Propertindo, Tbk, PT. Trimitra Land, Tbk, PT. Maha Properti Indonesia, Tbk, PT. PP Properti, Tbk and PT. Urban Jakarta Propertindo, Tbk officially adopted PSAK 72 on January 1, 2020, and the company implemented PSAK 72 retrospectively with the cumulative impact at the beginning of its application as an adjustment to retained earnings on December 31, 2019, and 2018 so that the implementation carried out by PT. Bhakti Agung Propertindo, Tbk, has an impact on the components of its financial statements. Application of PSAK 72 at PT. Bhakti Agung Propertindo, Tbk, replaces all standards related to revenue recognition that the company has used. The standards replaced are PSAK 23 concerning Revenue and PSAK 34 concerning Construction Contracts. The analysis stages one and two based on PSAK 72 are presented in Table 3 below:

Table 3. First and Second Stage Analysis Based on PSAK 72

Company name	Contract Transactions with Customers	Implementation Obligations
PT. Bhakti Agung Propertindo, Tbk	1. Apartment	The obligation to build a Green Cleosa apartment
PT. Trimitra Land, Tbk	1. Apartment 2. Hotel	The obligation to build apartments and hotels
PT. Maha Properti Indonesia, Tbk	1. Apartment 2. <i>Service charge</i> 3. Utilities 4. Relation party	Obligations to build and rent apartments, service charges, utilities and related parties
PT. PP Properti, Tbk	1. Reality 2. Property	Obligations to build apartments and sell land and property to customers
PT. Urban Jakarta Propertindo, Tbk	1. Apartment 2. Land	Obligations to build apartments and rent land

Source: Secondary data processed by researchers

The third stage is to set the transaction price. In determining revenue according to PSAK 72, the company is required to determine the transaction price and allocate the transaction price to each of its performance obligations. Furthermore, the transaction price is determined by considering the contract's criteria or terms and business practices in general. The price of contract transactions with customers is stated in the form of an analysis as follows:

Table 4. Third Phase Analysis Based on PSAK 72

Company name	Contract Transactions with Customers	Total Revenue of Contract Transactions with Customers
PT. Bhakti Agung Propertindo, Tbk	1. Apartment	IDR 0
PT. Trimitra Land, Tbk	1. Apartment	IDR 145,247,718,862

PT. Maha Properti Indonesia, Tbk	2. Hotel	IDR 236,190,246,000
	1. Apartment	
	2. <i>Service charge</i>	
	3. Utilities	
PT. PP Properti, Tbk	4. Relation party	IDR 1,624,169,492,823
	1. Reality	
	2. Property	
	1. Apartment	
PT. Urban Jakarta Propertindo, Tbk	2. Land	IDR 57,050,500,000

Source: Secondary data processed by researchers

The fourth stage, based on PSAK 72, is to allocate the transaction price on each performance obligation. This means that the assumption is that contracts with customers of each company have not been completed until 2019. Based on the results of the second stage of the analysis presented in Table 3, the long-term contract obligations with customers are settled within a certain period of time. Therefore, it can be concluded that the company has not been allowed to recognize its revenue during 2019, so that adjustments are made to the 2019 report. The following explanation of when contracts can be allowed to be recognized according to the fifth stage according to PSAK 72 by the company is presented in Table 5 as follows:

Table 5. Stage Five Analysis Based on PSAK 72

Company name	Contract Transactions with Customers	Revenue Recognition When Liabilities Are Fulfilled
PT. Bhakti Agung Propertindo, Tbk	1. Apartment	When completing and selling apartments and handing over units to customers
PT. Trimitra Land, Tbk	1. Apartment	1. Apartment revenue is recognized when the unit is handed over to the customer
	2. Hotel	2. Hotel revenue is recognized when the occupants occupy the room, and other hotel revenues are recognized when the goods and services have been delivered to the customer
PT. Maha Properti Indonesia, Tbk	1. Apartment	1. Apartment revenue is recognized when the sale has been completed and is handed over to the customer
	2. <i>Service charge</i>	2. Service charge revenue is recognized when the service has been rendered to the customer
	3. Utilities	3. Utility revenue is recognized when the goods and services have been rendered to the customer
	4. Relation party	4. Revenue from related parties is recognized when goods or services have been provided to customers
PT. PP Properti, Tbk	1. Reality	1. Relative income consists of apartment sales recognized when the apartment units are sold and handed over to customers, then
	2. Property	

		sales of land lots, houses, and condominium units. Does not have a substantial continuing involvement with the property
		2. Property income consists of the hotel, service charges, and rent and is recognized when goods or services are provided to hotel guests
PT. Urban Jakarta Propertindo, Tbk	1. Apartment 2. Land	1. Apartment revenue is recognized when the unit is sold and handed over to the customer 2. Land revenue is recognized when land plots are sold and handed over to customers

Source: Secondary data processed by researchers

After analyzing the five stages based on PSAK 72, then this study compares the income based on PSAK 72 with the standards previously used by each company, namely PSAK 23, PSAK 34, PSAK 44, ISAK 10, ISAK 21, and ISAK 27. The results of obtaining revenue values are obtained from the Notes to the Financial Statements of each company. The comparison can be seen in Table 6 as follows:

Table 6. Comparison of Revenues Based on PSAK 72 with Previous Standards

Company name	Revenue Based on PSAK 72	Income Based on Previous Standard	Adjustment
PT. Bhakti Agung Propertindo, Tbk	IDR 0	IDR 18,210,425,155	IDR -18,210,425,155
PT. Trimitra Land, Tbk	IDR 145,247,718,862	IDR 47.825.505.023	IDR 97,422,213,839
PT. Maha Properti Indonesia, Tbk	IDR 236,190,246,000	IDR 172.845.413.000	IDR 63,344,833,000
PT. PP Properti, Tbk	IDR 1,624,169,492,823	IDR 2,510,417,039,278	IDR -886,247,546,455
PT. Urban Jakarta Propertindo, Tbk	IDR 57,050,500,000	IDR 438,561,853,293	IDR -381.511.353.293

Source: Secondary data processed by researchers

Financial performance measurement is carried out in the next stage by comparing financial ratios based on PSAK 72 and the previous PSAK for each company in 2019. This calculation is carried out to determine the impact that occurs on the implementation of PSAK 72 on the financial performance of property companies in 2019. The results of the comparison can be seen in Table 7 as follows:

Table 7. Property Companies Financial Ratios in 2019

Company name	Financial Ratio	Previous PSAK	PSAK 72
PT. Bhakti Agung Propertindo, Tbk	<i>Current Ratio (CR)</i>	1,952.9%	1,318.3%
	<i>Debt to Asset Ratio (DTA)</i>	26.4%	28.7%
	<i>Net Profit Margin Ratio (NPM)</i>	19%	~
PT. Trimitra Land, Tbk	<i>Current Ratio (CR)</i>	128.6%	102.3%
	<i>Debt to Asset Ratio (DTA)</i>	24.3%	31%
	<i>Net Profit Margin Ratio (NPM)</i>	6.1%	19.8%
PT. Maha Properti Indonesia, Tbk	<i>Current Ratio (CR)</i>	32.2%	31.3%
	<i>Debt to Asset Ratio (DTA)</i>	22.6%	23.3%
	<i>Net Profit Margin Ratio (NPM)</i>	18.2%	20%
PT. PP Properti, Tbk	<i>Current Ratio (CR)</i>	177.5%	155.1%
	<i>Debt to Asset Ratio (DTA)</i>	68.7%	74.9%
	<i>Net Profit Margin Ratio (NPM)</i>	15.4%	7.3%
PT. Urban Jakarta Propertindo, Tbk	<i>Current Ratio (CR)</i>	271.5%	188.4%
	<i>Debt to Asset Ratio (DTA)</i>	45.8%	60%
	<i>Net Profit Margin Ratio (NPM)</i>	27.2%	35.7%

Source: Secondary data processed by researchers

4.2. Discussion

Based on Table 6 above, it is known that there are differences in the value of revenue recognition based on PSAK 72 and based on the previous PSAK in each company. The implementation of this policy resulted in PT. Bhakti Agung, Tbk, PT. PP Properti, Tbk and PT. Urban Jakarta Propertindo experienced a decrease in revenue, so an adjustment was made to the retained earnings in 2019 to decrease. This is because the revenue recognized by the three companies is smaller than the income based on the previous standard. On the other hand, the revenue recognized by PT. Trimitra Land, Tbk and PT. Maha Properti Indonesia, Tbk experienced an increase, so that an adjustment was also made to retained earnings in 2019 to increase.

Based on Table 7 above, it is known that the current ratio (CR) in each company has decreased due to the application of PSAK 72. PT. Bhakti Agung Propertindo, Tbk experienced a decrease of 634.6%. PT. Trimitra Land, Tbk decreased by 26.4%. PT. Maha Properti Indonesia, Tbk experienced a decrease of 0.8%. PT. PP Properti, Tbk decreased by 22.3%, and PT. Urban Jakarta Propertindo, Tbk experienced a decline of 83.1%. The decrease in CR in each company was the result of delayed cash or receivable recognition due to adjustments to the implementation of PSAK 72 in 2019. This resulted in a decrease in the value of assets reported in the statement of financial position, so that the CR decreased.

Based on Table 7 above, it is known that the debt-to-asset ratio (DTA) in each company has increased due to the application of PSAK 72. PT. Bhakti Agung Propertindo, Tbk experienced an increase of 2.3%. PT. Trimitra Land, Tbk experienced an increase of 6.7%. PT. Maha Properti Indonesia, Tbk experienced an increase of 0.7%. PT. PP Properti, Tbk experienced an increase of 6.2% and PT. Urban Jakarta Propertindo, Tbk experienced an increase of 14.1%. The increase in DTA for each company was caused by a decrease in the value of assets, and the notes on assets in the statement of financial position were smaller based on PSAK

72 compared to the previous application of PSAK. This is also due to the company's increased debt recognition due to the impact of the implementation of PSAK 72. Therefore, each company experienced an increase in DTA.

Based on Table 7 above, it can be seen that the net profit margin (NPM) value for PT. Bhakti Agung Propertindo, Tbk, which was originally 19% to infinity (~). This is because in 2019 PT. Bhakti Agung Propertindo, Tbk made adjustments due to the implementation of PSAK 72 in its company. This resulted in a decrease in revenue to Rp 0 so that the NPM ratio became infinity. The decrease in revenue was because the company had made adjustments to the revenue account, and the adjustment had an impact on net income, which must be reported on the company's statement of financial position. Decrease in revenue and net profit of PT. Bhakti Agung Propertindo, Tbk is significant, but the decline does not interfere with the company's operations. The decrease in revenue and net profit was also experienced by PT. PP Property, Tbk. It can be seen from the company's NPM, which decreased by 8.2% or from 15.4% to 7.3%. The decrease in NPM also came from the income adjustment made by the company due to the implementation of PSAK 72. The decrease was quite significant but did not interfere with the company's operational activities.

Other results were seen in PT. Trimitra Land, Tbk, PT. Maha Properti Indonesia, Tbk and PT. Urban Jakarta Propertindo, Tbk experienced an increase in the company's NPM. This is because the recognition of the cost of goods sold (COGS) reported by the company has decreased because revenue recognition has also decreased. A high COGS causes the company to bear a high burden so that profits will decrease. On the other hand if the revenue recognition based on PSAK 72 cannot be recognized if there is no handover to the customer, the COGS borne will also be smaller. This has an impact on the increase in profits reported by the three companies. The increase in the NPM of each company was 13.7% for PT. Trimitra Land, Tbk, 1.8% for PT. Maha Properti Indonesia, Tbk and 8.5% for PT. Urban Jakarta Propertindo, Tbk. The increase made the financial performance of the three companies better than using the previous PSAK.

5. CONCLUSION

The difference in the application of revenue recognition based on PSAK 72 with the previous standard resulted in changes in revenue value originating from customer contracts. As seen in the CR value of each company has decreased. The decrease was due to the lower recognition of cash and receivables from revenues because they had not been recognized, according to PSAK 72. The value of the decline in each company was quite significant, which resulted in poor financial performance. However, the decline did not interfere with the company's operational performance. The difference in the timing of revenue recognition based on customer contracts also causes assets to decline.

The difference in the application of revenue recognition based on PSAK 72 with the previous standard resulted in an increase in DTA for the five companies. This is due to the time difference in revenue recognition so that the company's assets are smaller in the statement of financial position and impact the increase in DTA for the five property companies.

At NPM PT. Bhakti Agung Propertindo, Tbk and PT. PP Properti, Tbk experienced a decline due to the implementation of PSAK 72, so there was a delay in revenue recognition which caused NPM to decrease. Still, this decrease did not interfere with the company's operational performance. However, the NPM at the company PT. Trimitra Land, Tbk, PT. Maha Properti Indonesia, Tbk and PT. Urban Jakarta Propertindo, Tbk actually experienced an increase. This was because the delay in revenue recognition also had an impact on the delay in COGS recognition. Large COGS will result in lower profits, but due to the implementation of PSAK 72, the company does not bear the high COGS, so the reported profits will be high and cause the company's NPM to increase.

Revenue from customer contracts in the following year will cause increase due to differences in the timing of recognition. If the recognition was delayed in 2019, it is predicted that in 2020 the income will increase, so that the financial performance in 2019 is not good, and the performance in 2020 is predicted to be good. Many property companies listed on the IDX have not made adjustments due to the implementation of PSAK 72.

The limitation of this study is that the number of samples taken was only five property companies because other companies have not implemented PSAK 72. So that suggestions that can be given to companies, especially property companies or companies that implement long-term income recognition, should immediately apply this PSAK 72 standard as a reference in recognizing contract revenue with customers because it became effective on January 1, 2020. For future researchers, it is better to use a larger sample of construction companies so that the results obtained will also be more accurate. For future researchers, it is also better to use the 2020 base year because the implementation of PSAK 72 starts on January 1, 2020, so it can be known which companies have implemented PSAK 72 or have not implemented it and the differences in their income results.

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