ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT ASSETS VALUATION WITH FAIR VALUE ACCOUNTING AND HISTORICAL COST ACCOUNTING METHOD IN PT. SINAR PUSPAPERSADA IN THE PERIOD OF 2010-2014

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STATEMENT BY THE AUTHOR

I hereby declare that this submission is my own work and to the best of my knowledge, it contains no material previously published or written by another person, nor material which to a substantial extent has been accepted for the award of any other degree or diploma at any educational institution, except where due acknowledgement is made in the thesis.

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ABSTRACT

ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT ASSETS VALUATION WITH FAIR VALUE ACCOUNTING AND HISTORICAL COST ACCOUNTING METHOD IN PT. SINAR PUSPAPERSADA IN THE PERIOD OF 2010-2014

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Accounting standards in Indonesia governed by Ikatan Akuntan Indonesia (IAI). The accounting standards known as Pernyataan Standar Akuntansi Keuangan (PSAK). Fixed Assets are an important part of a company and it also recorded in accounting which is recognize as part of Balance Sheet. However, Fixed Assets are not only influence Balance sheet, but it also give affect to Net Income.

In the globalization era, companies try to spread their business by across-counties. Even, it seems can increase the company profit, it also makes companies face many challenges. One of the challenges is consolidation of financial statement. This condition forces companies to making a reliable financial statement by do some revaluation of Fixed Assets and it also regulated in IAS 16. Companies that running the business in real estate industry have PPE Assets that needs to have revaluation every period. Therefore, this research focus on fair value of PPE Assets in PT. Sinar Puspapersada. The company doesn't apply revaluation for its PPE Assets. After this research has done some tests, it can be concluded that historical cost doesn't represent real market value and it makes significant difference on Net Income and Corporate IncomeTax.

Key words : PPE Assets, IAS 16, Historical Cost Accounting, Fair Value Accounting, Net Income, Corporate Income Tax

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DEDICATION

I dedicate this thesis to my dearest mother, father, sister, and my nephew who always support and motivate me during the process of thesis writing.

I also dedicate this thesis to my cousin who always support dan remind me to finish thesis.

I also dedicate this thesis to Mr. Indra Pratama who thaught and guide me during the process of thesis writing.

I also dedicate this thesis to my lovely country Indonesia.

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