

**ANALYSIS OF COMPARING THE REPORTING IMPACT OF
SUCCESSFUL EFFORT AND FULL COST METHOD
ACCOUNTING TOWARDS FINANCIAL INFORMATION AND
INCOME TAX FOR THE YEAR 2011-2015. A CASE STUDY OF
BUT TP**

By:
Yaga
1-3412-044

BACHELOR'S DEGREE

in

ACCOUNTING
BUSINESS ADMINISTRATION AND HUMANITIES



SWISS GERMAN UNIVERSITY
EduTown BSD City
Tangerang 15339
Indonesia

August 2016
Revision after the Thesis Defense on July 18th, 2016

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.

Yaga

Student

Date

Approved by :

Indra Pratama, MM, Ak, CA, CMA, CPMA

Thesis Advisor

Date

Prof. Eric Jos Nasution MBA, MA, PhD

Dean

Date

ABSTRACT

**ANALYSIS OF COMPARING THE REPORTING IMPACT OF
SUCCESSFUL EFFORT AND FULL COST METHOD ACCOUNTING
TOWARDS FINANCIAL INFORMATION AND INCOME TAX FOR THE
YEAR 2011-2015. A CASE STUDY OF BUT TP**

By:

Yaga

Indra Pratama, MM, Ak, CA, CMA, CPMA

Thesis Advisor

SWISS GERMAN UNIVERSITY

The application of an approved accounting method of oil and gas is required by the FASB for the operation of an oil and gas company. The available accounting method applicable is between Successful Effort and Full Cost method, but consideration in which method is to better to be applied is still under debate. The choice of this method relies on how the Production Sharing Contract (PSC) has been settled between the contractor and the government. For BUT TP's case, according to the PSC and treatment for the costs of exploration, BUT TP is applying the SE method.

This research aims to examine the differences of both SE & FC method in generating a financial outlook for users. This research focuses on only one company, which is currently applying SE method. If by any chance in the future, the company would transition using FC method, likely it will impact the financial information presented. The outcome of this research was that between both methods, there is significant difference the income statement and tax expense, but insignificant difference towards the statement of financial position. In conclusion, the significant difference of both methods is highlighted in the company's income statement, on how it provides a financial outlook to users.

Key words : Successful Effort, Full Cost, Statement of Financial Position, Income Statement, Tax Expense



SWISS GERMAN UNIVERSITY

DEDICATION

I dedicate this thesis to my family and my close friends that have always been there for me through the struggles and joys, and have been a part of my growth.



ACKNOWLEDGEMENTS

First of all, the researcher would like to thank to God for all of His blessings during my years in university, especially throughout the process of completing the thesis, so that this thesis can be finished on time.

This thesis is able to be completed due to all of the support, encouragement and help from many people. In regards to the opportunity, the researcher would like to express gratitude and sincere appreciation to all of them.

To his beloved family; Alice Ho, Michiko Pratiwihardja, The Move Family, and GAOD Family. Without their encouragement, the researcher will not be able to finish this thesis on time.

To Mr. Indra Pratama MM, Ak, CA, CMA, CPMA, as the researcher's thesis advisor and the researcher's mentor, am very grateful to have you as an advisor, and thank you for the guidance during the process of thesis completion.

The researcher also would like to thank to all accounting lecturers for their effort to share their knowledge to all accounting students.

Thank you to Mr. Erry Gunarso for all the help, providing the required data and as well long explanations to help the researcher understand the overall discussion.

To my thesis mates; the whole class of Accounting batch 2012, who have supported and helped each other in order to finish our masterpiece on time. We have struggled together for the past years, and so let us graduate as well happily together.

TABLE OF CONTENTS

STATEMENT BY THE AUTHOR	2
ABSTRACT	2
DEDICATION	5
ACKNOWLEDGEMENTS	6
CHAPTER 2 – LITERATURE REVIEW	19
2.1 General Theory.....	19
2.1.1 Oil & Gas Industry in Indonesia.....	19
2.1.2 Production Sharing Contract	21
2.1.3 Accounting Method for Oil & Gas Industry.....	23
2.1.4 Categorization of Costs for Oil & Gas Industry	25
2.1.5 Successful Effort Method	31
2.1.6 Full Cost Method.....	33
2.1.7 Statement of Financial Position.....	36
2.1.8 Income Statement.....	37
2.1.9 Income Tax.....	37
2.1.10 Cost Recovery	39
2.2 Summary of Previous Study	43
2.3 Framework of Thinking	51
CHAPTER 3 – RESEARCH METHOD.....	52
3.1 Population and Sampling	52
3.2 Data Sources and Collection.....	52
3.3 Hypothesis	53
3.4 Research Model	54
3.5 Method of Analysis	57
CHAPTER 4 –RESULT AND DISCUSSION	59
4.1 Statistical Descriptive	59
4.1.1 Company Profile	59
4.1.2 Classical Assumption Tests.....	61
4.2 Result and Analysis	64
4.2.1 Hypothesis 1	64
4.2.1 Hypothesis 2.....	73
CHAPTER 5 – CONCLUSION AND RECOMMENDATION	84
5.1 Conclusions.....	84
5.2 Recommendation	87

GLOSSARY	89
REFERENCES	92
APPENDICES	96
Appendix A – Successful Effort Financial Statements	96
Appendix B – Classical Assumption Test	141
Appendix C – Interview	146
CURRICULUM VITAE	148

