

INFLUENCE OF INTANGIBLE ASSETS ON COMPANY VALUE DURING THE COVID-19 PANDEMIC (STUDY ON MANUFACTURING COMPANIES LISTED ON THE IDX IN 2020)

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Article history:	Abstract:
<p>Received: 6th January 2022 Accepted: 6th February 2022 Published: 13th March 2022</p>	<p>Company value is the price that prospective buyers (investors) are willing to pay if the company is sold. The purpose of this study is to examine the effect of intangible assets on the value of manufacturing companies listed on the Indonesia Stock Exchange in 2020 during the covid-19 pandemic. The data in this study used secondary data obtained from manufacturing companies listed on the Indonesia Stock Exchange in 2020 which were downloaded from www.idx.co.id. The method of determining the sample using purposive sampling technique, with total sample obtained by 75 companies of 196 companies. Data analysis method in This research uses simple linear regression analysis using software IBM SPSS Statistics version 2 5.</p> <p>Research results showing that asset no form such as: goodwill, license / franchise, brand, rights copyrights, patents, software, recipes, formulas, models, designs , and prototypes have influence positive and significant to Mark company Manufacturers Listed on the IDX in 2020 .</p>

Keywords: Asset, Not Tangible, Corporate Value, Manufacturing, Covid-19

INTRODUCTION

There are still many companies in Indonesia that do not report the value of intangible assets in the presentation of the company's financial statements. So, regardless of the value of the intangible assets owned, when the company does not have good and correct knowledge in managing these intangible assets, then the company will find it difficult to develop. The products produced by the company become unsold in the market. The following is data on Manufacturing Companies listed on the Indonesia Stock Exchange in 2020.

Table 1.1
Manufacturing company listed on the Indonesia Stock Exchange in 2020

No.	Manufacturing company	Number of PT	Reporting Intangible Assets	Not Reporting Intangible Assets
1	Basic Industry & Chemicals	80	31	49
2	Various Industries	53	13	40
3	Consumer Goods Industry	63	31	32
Total		1 96	75	121

Source: IDX 2020 (data processed)

From the data above, it can be explained that there are 80 companies in the Basic & Chemicals Industry but which report intangible assets in the statement of financial position, only 31 companies, Miscellaneous Industries there

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are 53 companies and 14 companies report intangible assets, and the Consumer Goods Industry totals 63 companies. reported a total of 31 companies. Of the total 196 manufacturing companies listed on the Indonesia Stock Exchange in 2020, only 38.8% of companies presented intangible assets, while 61.2% of companies that did not report intangible assets.

The above is supported by research conducted by Utomo which states that of the 300 companies listed on the Indonesia Stock Exchange in 2017, the presentation of intangible assets in the statement of financial position is only 32% of companies while companies that do not present intangible assets on the statement of financial position are as many as 32%. 68% of companies. Based on this research illustrates that where there are still many companies that do not report information on intangible assets. (Letsa Soraya and Muchamad Syafruddin , 2013:3) Intangible assets even though they do not exist but make a real contribution to the company and also include assets owned by the company so they should not be ignored. Many intangible assets where obtained from contractual rights or from the government. Intangible assets are very important because they have cash flow for the company in the future and can give permission to carry out activities, reproduce and produce and use the logos and brands of other companies as a result of contracts. So that intangible assets have a long useful life compared to fixed assets .

The corona virus, also known as COVID-19, has had a huge impact on businesses. Many countries have restricted company operations to stop the spread of this virus. These handling steps have more or less disrupted the company's activities, such as in terms of supply chain management, collectability, employee performance, etc. Several financial reporting issues due to COVID-19 must be adequately disclosed in the notes to financial statements that are useful to investors, lenders, and other potential creditors and decision makers.

One of the things that may need to be considered for entities due to the COVID-19 pandemic is the decline in asset values. Where the entity needs to assess whether the impact of COVID-19 has caused a decrease in asset value. An entity's financial performance, including its forecasted future cash flows and revenues, may be significantly affected by direct or indirect impacts. PSAK 48 Impairment of Assets Value requires an entity to perform an impairment test (estimate the recoverable amount of the affected cash-generating unit) at the end of each reporting period when there is an indication that the cash-generating unit may be impaired. In this Covid-19 case, certain entities may need to carry out an asset impairment assessment (in addition to the requirement to perform impairment testing at least annually for goodwill and intangible assets with an indefinite useful life.

FORMULATION OF THE PROBLEM

Referring to the background of the problem above, the formulation of the problem presented in this study is " how much influence does intangible assets have on firm value ?" .

RESEARCH PURPOSES

The purpose of this study is to determine how much influence intangible assets have on firm value.

STUDY PREVIOUS

Study Daulay and Sadalia (2018) about " The Effect of Intangible Assets on Company Value Through Financial Policy and Growth in Manufacturing Companies on the IDX ". The results showed that intangible assets had a positive and significant effect on firm value . Intangible assets have a positive and significant effect on financial policy. Intangible assets have a positive and significant effect on company growth. Financial policy has a positive effect on firm value, but the effect is not significant. Company growth has a positive and significant effect on firm value. Intangible assets have a positive effect on firm value through financial policies and company growth, but the effect is not significant. The conclusion or final result of this research is that there are 4 variables that have a significant effect, namely, the influence of intangible assets and company growth on firm value, and the influence of intangible assets on financial policy and company growth.

Study Yani (2017) concerning " The Effect of Goodwill And Other Intangible Assets On Company Value " . This study aims to determine and measure the effect of goodwill and other intangible assets on firm value. based on research data analysis method using multiple regression analysis using SPSS software version 22 . Simultaneous testing concluded that Goodwill and other intangible assets affect the value of the company. While the test using the partial test (t test) shows the results that goodwill has no effect on firm value, while other intangible assets have a positive and significant effect on firm value .

Study Susanti (2017), regarding " The Effect of Intangible Assets and Research and Development Costs on Market Value in Manufacturing Companies Listed on the Indonesia Stock Exchange for the 2011-2015 Period ", This study is a non-participant observational study using secondary data obtained from manufacturing companies listed on the Indonesia Stock Exchange during the period 2011-2015 downloaded from www.idx.co.id. Sampling in this study using purposive sampling method, then obtained as many as 35 samples of companies with 150 observations during the research period from 2011 to 2015. Data analyzed using multiple regression analysis techniques with the help of SPSS version 19 program. The results show that intangible assets and research and development costs have a positive and significant impact on market value in manufacturing companies listed on the Indonesia Stock Exchange for the period 2011-2015.

THEORY FRAMEWORK

Definition of Intangible Assets

According to Baridwan (2017:351) Intangible assets are non-monetary assets that can be identified and do not have a physical form and are held for use in generating income. Intangible assets include brands that are the most preferred by the company in an effort to increase company value. Image and reputation are also intangible assets of the company that can also contribute to increasing the value of the company. Thus, information on the value of intangible assets is a positive signal for investors. (Korbih & Suhardianto 2017:284-285)

In PSAK No. 19 of 2000, It is also explained that intangible assets/resources are mentioned such as science and technology, design and implementation of new systems or processes, licenses, intellectual property rights, market knowledge and trademarks (including product brands/ brand names). Examples of intangible assets include computer software, patents, copyrights, motion pictures, customer lists, forest tenure rights, import quotas, franchises, relationships with suppliers or customers, customer loyalty, marketing rights, and market share (Widowati, 2011). :12-13) Whereas Asset no form like brand is very useful and not forbidden , therefore he could owned . Included in the definition of an intangible asset are ; Brand ; Software (Computer Software) ; License and Franchise (Franchise) ; Patents ; Copyrights (Copyrights) ; Recipes, Formulas, Models, Designs and Prototypes ; Goodwill (goodwill) .

Declaration of Intangible Assets

The following is the accounting treatment for computer software, there are several alternative accounting treatments: 1) in software development companies. Research costs incurred during the development of the software program should be expensed. Meanwhile, costs incurred in the development phase can be capitalized if they meet the main criteria for recognizing intangible assets. 2) software developed for internal use, all costs must be charged. Because the entity is difficult to demonstrate that the plan can provide future economic benefits for the entity. 3) software purchased for sale is recognized as inventory . Software that is held for sale or leased to other parties must be recognized as an intangible asset. While software purchased for own use and is an integral part of hardware, it will be capitalized as fixed assets. However, if the acquisition cost of the software is not an integral part of the software, it is recognized as an intangible asset (Accounting, 2021).

Acquisition of Intangible Assets

Intangible assets are recorded at cost. The cost of tangible assets is influenced by how they are acquired. The cost of an intangible asset includes all costs incurred in acquiring the asset. If the asset is acquired by self-development, the acquisition price is all expenses incurred in developing the asset in question. If obtained by purchase, the elements of the acquisition cost can be in the form of: the price paid to the seller, additional costs to obtain it, such as: notary fees and administrative fees, trial fees and so on. The cost of an intangible asset consists of: a) The purchase price, including import duties and non-refundable purchase taxes, after this is reduced by discounts or rebates, b) All costs that can be directly distributed in preparing the asset for its intended use. (Accounting, 2021)

Measurement of Intangible Assets (Unexplained Value)

According to PSAK No. 19 (Revised 2000), after an intangible asset is first recognized at cost, the intangible asset is measured at a later date at cost less accumulated amortization and accumulated impairment losses. PSAK allows an alternative treatment for asset measurement , which is the revaluation value. (Putri Pertiwi , et al , 2018:205)

Valuation and Amortization of Intangible Assets

Valuation of intangible assets depends on the purpose of reporting and the concept used. If the goal is to measure and report individual assets in the period concerned, then the only way is to value the company as a whole and then subtract the value of other assets that can be directly measured. However, the company's overall assessment only has meaning if this assessment is carried out subjectively (risk preference) by the investor concerned, except for companies whose value is determined by the price of their shares on the stock exchange (collective assessment). Valuation based on fair input value, output value, and earning power may not be applied to intangible assets. Intangible assets are unique because they cannot be compared with similar assets, so it is impossible to obtain a specific replacement cost . Therefore, accountants are often faced with the only practical assessment, namely by using the actual input value (historical cost) , (Lisvery & Yosephine Ginting , 2015:4)

The value of the company

Husnan interprets the value of the company as the price that prospective buyers can pay when the company is sold. When a company has been open or has offered shares to the public, the value of the company is defined as an investor's perception of the company itself. Investors can use the value of the company as a basis to see the company's performance in the future period, where the value of the company is often associated with stock prices. Investors will benefit if the company's stock price is high. Wijaya and Panji state that a high stock price will be directly proportional to a high company value. A high company value will increase an investor's confidence in the company. (Suwardika & Mustanda ,2017:1249)

Company value is the price that prospective buyers (investors) are willing to pay if the company is sold. The normative goal of the company is to maximize shareholder wealth. The company value indicator can be seen from the company's stock price in the market. (Prasetyorin , 2013:185). The value of the company depends on the value of the shares outstanding on the IDX, the higher the share price of a company, the higher the value of the company. Every company certainly wants a high company value and can attract the attention of investors

Hypothesis

Based on the background and formulation of the problem above as well as the objectives to be achieved, the hypothesis of this research is that it is suspected that there is an influence of intangible assets on firm value.

RESEARCH METHODOLOGY

This type of research is descriptive quantitative research describing the effect of intangible assets on the value of companies listed on the Indonesia Stock Exchange in 2020 during the COVID-19 pandemic using secondary data.

The population in this study are manufacturing companies listed on the Indonesia Stock Exchange in 2020 with a total of 1 96 company. The list of company objects under study can be seen in table 3.1.

Table 3.1
List of Research Objects

Manufacturing Company Classification	Number of Objects
Basic Industry & Chemicals	80
Various Industries	53
Industry Goods Consumption	63
Total	1 96

Source: Data processed.

The research data used is secondary data, namely data obtained from existing sources. The secondary data used is in the form of financial data for manufacturing companies in 2020 which report intangible assets in their financial statements and the value of companies listed on the Indonesia Stock Exchange statistics are : Mark Market Capitalization . Data taken only within a period of one year. Sources of data collection for financial statements and Market Capitalization data from company publications through the Indonesia Stock Exchange website, namely www.idx.co.id The data collection method used in this research is Purposive Sampling , which is a sampling technique by determining the criteria used. in this study are manufacturing companies that report the value of intangible assets in their financial statements and listings on the Indonesia Stock Exchange in 2020.

Manufacturing companies that meet these criteria are obtained as many as 75 sample companies during 2020. The sample selection procedure for this research can be seen in Table 3.2.

Table 3.2
Sample Selection Procedure

Information	Amount
Manufacturing Companies that report Intangible Assets in the Financial Statements:	
Basic Industry & Chemicals	31
Various Industries	1 3
Industry Goods Consumption	31
Sample Company	75

Source: Processed data.

Simple linear regression analysis aims to determine the direction of the relationship between the independent variable and the dependent variable, whether positive or negative and to predict the value of the dependent variable if the value of the independent variable increases or decreases. This method is used to predict the effect of a dependent variable (Company Value) based on the independent variable (Intangible Assets), (Suryani and Hendryad , 2015:313-314).

RESULTS AND DISCUSSION

Simple Linear Regression Test Results

Coefficients^a					
Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.	
	B	Beta			
1 (Constant)	4,547		18.105	.000	
Asset Not form	.437	.676	7.838	.000	

Source : Secondary data processed

$$Y = 4,547 + 0.437 X$$

Based on the results of the statistical analysis of the simple linear regression coefficient above, it can be concluded that that :

1. The constant value is 4.547 which indicates that if the independent variable (asset no tangible) is 0 , then the Y variable (company value) will increase by 4 , 547 .
2. The value of the coefficient of the independent variable X (asset no tangible) of 0.437 . This means that any decrease in assets no tangible value of 1 it will reduce the value of the company by 0.437 .

T . Statistical Test

Test t statistic aims to determine how far the influence of the independent variable individually (partial), namely intangible assets in explaining the dependent variable, namely firm value. The significance of the regression model in this study was tested by looking at the value of sig. which is in table 4. 8

Table 4.8
Coefficient Test Results Determination

Coefficients ^a		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
Model		B	Std. Error	Beta		
1	(Constant)	4,547	.251		18.105	.000
	Asset Not form	.437	.056	.676	7.838	.000

Source : Secondary data processed

Based on table 4. 8 statistical test results t, it can be seen that the value of the significance level is smaller than the set significance level, which is 0.000 < 0.05. Thus, the intangible asset variable has a positive and significant effect on firm value in manufacturing companies listed on the Indonesia Stock Exchange in 2020, with thereby then the hypothesis is accepted.

Based on table 4.8 shows that asset no form take effect positive to Mark company. As seen from table 4.8 which shows Mark coefficient 0.437 with level significance 0.000. Where is the level significance more small from Mark probability 0.05 which means H_a accepted so that could said that Mark asset no form take effect positive to Mark company.

Research results this in line with Rosalind and James Miller say that "that intangible assets have an important role in achieving goals and strategies as well as determining the value of the company, where the higher the value of intangible assets, the higher the value of the company". Where is the statement the could interpreted that asset no form have role urgent in reach goals and strategies as well as determine Mark company, where the more tall Mark asset no form so the more high value company. Based on opinion the so could understood that asset no form is one part most important in company because presence asset no form capable make Mark company increased. (Rosalind H. Whiting & James C. Miller, 2008:27)

Asset no form by physical of course no could seen and not can calculated amount because asset no form is assets that are not real or not seen. However have distant value more tall compared to asset real. As Rhenald said Kasali which is University of Indonesia academics and professors who have the opinion that although asset no form no can measured and recorded on the balance sheet accounting report finance company but asset no form could increase valuation company.

Statement on match with opinion of David J. Teece who said that "Intangible assets are a very economically significant asset class, with powerful implications for building and maintaining competitive advantage for the enterprise (and for a nation). Yet most intangible assets are not even recorded on corporate balance sheets". Which means that Asset no form is class very significant asset by economy, with strong implications for build and maintain superiority competitive for company (and for a country). However part big asset no form even no recorded on the balance sheet company. (Teece, 2015:6)

With refers to both opinion that, then results study this is saying that asset no form take effect or contribute positive to Mark company is right. Because, when this asset no form start becomes trend positive in a company. That thing in accordance with research conducted by Sullivan (2000), in the 2000s, who said that Mark Asset not form dominate the market value of the company in the United States capital market (American Stock Exchange), namely worth about 80% of company market value. In the UK, research conducted by Pricewaterhouse Coopers (2004), states that big Mark asset no form is 60% of company market value. In Asia, by Salamudin et al (2010) quoted back by Letsa Soraya (2013) who says that, development Mark asset no form also has trend positive including in Indonesia, where significant developments started since 2004.

Development Mark asset no form of course already start show its significance start since 2004 will be but at the time that influence asset no form not yet too appear its influence. However, at the time of the digital asset era, no form start seen its influence. As Rhenald said Kasali that the digital age has many give birth to theory nor method business new, where was it? asset form more superior from asset no form but now asset no become what it is points most important in business or company.

The statement the strengthened with a lot business or companies in the current digital era this make asset no form become a startup in develop Mark company. one For example is business gojek who made asset no form (Application Gojek) becomes a super app so that Gojek company business valuation capable beat companies that have been around for decades.

Speak about development business in today's digital era has becomes very popular topic especially since appearance the covid-19 pandemic that requires public limit activity outside. Presence this covid-19 pandemic many cause impact negative good from sector education, health, politics and economy. However appearance the covid-19 pandemic also has impact positive from aspect development. where with existence many covid-19 pandemic business, and findings newly created. one example in the world of Health, attendance the covid-19 pandemic makes experts pharmacy capable create vaccine.

Dr Pearl Tan FCCA, Professor from Singapore Management University said that "In the Covid-19 crisis, information and communication technologies and R&D work on vaccines would be identifiable. Typically, they can be sold, leased out or used on a stand-alone basis. Often, they will be accompanied by legal rights such as patents and copyrights" . (ACCA Think Ahead) Which in general statement he contain mean that in covid-19 crisis , technology information and communication as well as research and development vaccine will could identified , even they could sell , rent or use alone their vaccine _ create because they has have right law like patent or _ right create .

If drawn on the tree discussion study this that is about asset no form , then the covid-19 pandemic provides influence to asset no form as as Joseph Quinn told Marcum LLP media that "The COVID-19 pandemic has raised the question from virtually all auditors to their clients, What effect has the pandemic had on your intangible assets?", We are all aware of the stay-at-home orders and travel restrictions, as well as the general economic impacts of the pandemic. The mere existence of COVID-19 does not imply an intangible asset is impaired. In fact, the need for advances in technology and life sciences is probably at an all-time high" . Statement the could interpreted that although our order for stay at home and limit activities , as well as allow will impact on the economy us . However Existence Covid-19 pandemic no will make asset no form experience drop value . In fact , the need will progress technology and science life Possible be at the point highest all the time.

With refers to the statement on so could understood that presence the covid-19 pandemic brought side positive on assets no form because capable make asset no form as valuable asset _ tall in Century coming so that capable increase Mark company . by him that , result from study this already can accounted for answer the truth because has in accordance with facts and expert opinion . _

Besides that, results study this support results research conducted by Erika Restika which shows that Intangible assets have a positive and significant effect on firm value , and the same is true exactly with results research conducted by Annisa Marwa which also shows that intangible assets or asset no form positive to Mark company . Based on the discussion that has been strengthened by theory and several studies, it can be concluded that intangible assets have an influence on firm value manufacture Listed on BEI The year 2020 in the time of Covid-19

CONCLUSION

Based on the results of the research and discussion above , it can be concluded that partially intangible assets have a positive and significant effect to the value of the company manufacturing during the covid-19 pandemic in 2020

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