

## **ABSTRACT**

*This study aims to get empirical evidence about the effect of converged International Financial Accounting Standards (IFRS) with PSAK, applicable from 2012 to onwards, to the value relevance of accounting information in Indonesia. This study controls concentrated ownership effect which might reflect one of institutional characteristics of Indonesia market.*

*The data used in this study were obtained from Bloomberg to generate a list of all firms on Indonesia Stock Exchange. The sampling technique was purposive sampling of all firms which had the complete variables from each years and excluded financial firms as criteria. Sample data is analyzed using Ordinary Least Square (OLS) regression.*

*Based on 1,893 firms-years observations and after controlling for concentrated ownership effects, this study suggest that the converged IFRS with PSAK affect the value relevance of accounting information in Indonesia. Further analysis showed that there is an increase of the value relevance combination of accounting information in Indonesia.*

*Keywords: value relevance, IFRS convergence, concentrated ownership, cash flow operation, price model*