

ABSTRACT

This research aims to investigate value relevance of comprehensive income. Comprehensive income becomes mandatory disclosure after the implementation of IFRS in Indonesia. First investigation, it examines value relevance of net income and comprehensive income. Secondly, it compares value relevance of net income and comprehensive income. Thirdly, it investigates the incremental value relevance of other comprehensive income. Sample were selected from companies that listed in Indonesia Stock Exchange during the period of 2012-2014. Based on purposive sampling method, there were 314 non-financial companies as final sample. The results of this study show that both of net income and comprehensive income have value relevance. Net income has superior value relevance compared with comprehensive income. This indicates that investor still rely on net income number as most relevant information for their investment decision. The other comprehensive income has failed to show the incremental value relevance, indicating that information component contained in comprehensive income still not yet significant to provide value added to investor.

Keywords :value relevance, net income, comprehensive income, other comprehensive income, price model.