

ABSTRACT

This study aims to provide empirical evidence about the effect of the adoption of IFRS on the level of matching between revenues and expenses. mandatory adoption of IFRS in Indonesia implemented in 2012. There were allegations that the adoption of IFRS will affect the quality of financial reporting, particularly in the determination of earnings based on the matching of revenues and expenses.

The object of this research is manufacturing companies listed on the Indonesian Stock Exchange in the period of 8 years (2005-2013). The independent variables in this study are expenses of the current year, one-year lag period expenses, and expenses one year lead period. The dependent variable in this study is revenues. This study also adds a moderating variable to see the impact of IFRS adoption on the relationship between expenses and revenues. Data were analyzed using Multiple Regression.

The results of this research, the adoption of IFRS affects the level of matching between revenues and expenses. The level of matching has been decline after the adoption of IFRS. Results of other studies indicate that there are significant of one year lag period expenses and expenses of the current year against the revenues of the current year. While expenses one year lead period did not affect the revenues of the current year. Based on this study concluded that there are changes in level of matching after the adoption of IFRS in Indonesia

Keywords: Adoption of IFRS, matching between revenues and expenses, the company manufactures