

TABLE OF CONTENTS

| | |
|---|-------------|
| THESIS APPROVAL | i |
| THESIS EXAMINATION APPROVAL | ii |
| UNDERGRADUATE THESIS ORIGINALITY STATEMENT | iii |
| ABSTRACT | iv |
| ABSTRAK | v |
| MOTTO AND DEDICATION..... | vi |
| ACKNOWLEDGMENT | vii |
| TABLE OF CONTENTS..... | ix |
| LIST OF TABLES | xii |
| LIST OF EXHIBITS..... | xiii |
| LIST OF FIGURES | xiv |
| LIST OF APPENDICE..... | xv |
| CHAPTER 1 | 1 |
| 1.1 Research Background..... | 1 |
| 1.2 Problem Statements and Research Questions | 9 |
| 1.3 Research Objectives | 11 |
| 1.4 Research Contributions | 11 |
| 1.4.1 To the literature | 11 |
| 1.4.2 To the practice..... | 11 |
| 1.5 Thesis Outline | 12 |
| CHAPTER 2 | 13 |
| 2.1 Literature Review and Prior Researches | 13 |
| 2.1.1 Agency Theory..... | 13 |

| | | |
|------------------|---|-----------|
| 2.1.2 | Investment Efficiency | 15 |
| 2.1.3 | Financial Reporting Quality | 16 |
| 2.1.4 | Family Ownership | 18 |
| 2.1.5 | Audit Quality | 20 |
| 2.1.6 | Prior Researches | 22 |
| 2.2 | Research Framework | 24 |
| 2.3 | Hypothesis | 27 |
| 2.3.1 | Financial Reporting Quality (FRQ) and Investment Efficiency | 27 |
| 2.3.2 | Family Ownership (FO) and Investment Efficiency | 28 |
| 2.3.3 | The Moderating Effect of Audit Quality on The Relationship Between Financial Reporting Quality and Investment Efficiency | 30 |
| 2.3.4 | The Moderating Effect of Audit Quality on The Relationship Between Family Ownership and Investment Efficiency | 31 |
| CHAPTER 3 | | 33 |
| 3.1 | Operational Definition and Measurement of Variables | 33 |
| 3.1.1 | Dependent Variable | 33 |
| 3.1.2 | Independent Variables | 34 |
| 3.1.3 | Moderating Variable | 35 |
| 3.1.4 | Control Variables | 35 |
| 3.1.5 | Operational Definition of Variables | 36 |
| 3.2 | Population and Sample | 37 |
| 3.3 | Type and Data Resources | 37 |
| 3.4 | Data Collection Method | 38 |
| 3.5 | Data Analysis Method | 38 |
| 3.5.1 | Descriptive Statistic | 38 |
| 3.5.2 | Partial Least Square (PLS) Analysis | 38 |
| 3.5.3 | Multigroup Analysis | 40 |
| 3.5.4 | Regression Analysis | 40 |

| | |
|---|-----------|
| CHAPTER 4 | 42 |
| 4.1 Research Object Description..... | 42 |
| 4.2 Data Analysis | 43 |
| 4.2.1 Descriptive Statistic | 43 |
| 4.2.2 Partial Least Square (PLS) Analysis | 45 |
| 4.2.3 Hypothesis Testing..... | 49 |
| 4.3 Result Discussion | 53 |
| 4.3.1 Financial Reporting Quality Positively Affects Investment Efficiency 54 | |
| 4.3.2 Family Ownership Positively Affects Investment Efficiency..... | 55 |
| 4.3.3 The Effect of Financial Reporting Quality on Investment Efficiency Will Be Greater with Higher Audit Quality | 56 |
| 4.3.4 The Effect of Family Ownership on Investment Efficiency Will Be Greater with Higher Audit Quality | 57 |
| CHAPTER 5 | 59 |
| 5.1 Conclusion | 59 |
| 5.2 Limitations | 60 |
| 5.3 Suggestions | 61 |
| REFERENCES..... | 62 |
| APPENDICE | 69 |

LIST OF TABLES

| | |
|------------------|----|
| Table 2. 1..... | 22 |
| Table 3. 1..... | 36 |
| Table 4. 1..... | 42 |
| Table 4. 2..... | 43 |
| Table 4. 3..... | 44 |
| Table 4. 4..... | 46 |
| Table 4. 5..... | 46 |
| Table 4. 6..... | 47 |
| Table 4. 7..... | 48 |
| Table 4. 8..... | 48 |
| Table 4. 9..... | 49 |
| Table 4. 10..... | 51 |
| Table 4. 11..... | 54 |

LIST OF EXHIBITS

| | |
|---|----|
| Exhibit 4. 1 Inner Model Analysis | 45 |
| Exhibit 4. 2 T Values Model | 50 |
| Exhibit 4. 3 P Values Model | 51 |

LIST OF FIGURES

| | |
|--|----|
| Figure 2.1 Research Framework Development..... | 26 |
|--|----|

LIST OF APPENDICE

Appendix 1. 1 69
Appendix 1. 2 72