

## **ABSTRACT**

This study examines accounting information's value relevance after applying PSAK 72 in companies listed on the Indonesia Stock Exchange. PSAK 72 is more detailed in regulating revenue recognition than the previous standard, so it will cause revenue recognition policies in some entities. It may cause investors reaction, thus changing the stock price.

The data were obtained from the interim financial reports for the years 2019-2020. Model Ohlson's (1995) estimation uses as a reference for testing the research hypothesis. This study uses Generalized Least Squares (GLS) regression analysis to estimate the research model.

The model estimation results indicate that the application of PSAK 72 has accounting information value relevance. The company's profit has a strong correlation with the stock price. Meanwhile, the book value of equity has no value relevance. Users of accounting information react negatively to the application of PSAK 72. The adoption of PSAK 72 requires professional interpretation and judgment, which can cause differences in recognition for similar transactions. The complexity of implementing PSAK 72 will require adjustments for the company to reduce company profits. A decrease in profit will be reacted negatively by users of accounting information, especially investors. PSAK 72 will better disclose the company's contract revenue with customers, but the disclosure requires lengthy preparation. IAI needs to consider a transition period for the implementation of standards to provide better information.

Keywords: IFRS 15, accounting standard, Ohlson Model, principle-based