World Journal of Advanced Research and Reviews
eISSN: 2581-9615 CODEN (USA): WJARAI
Cross Ref DOI: 10.30574/wjarr
Journal homepage: https://wjarr.com/

(RESEARCH ARTICLE)

The effect of difference in accounting and fiscal profit, operating cash flow and liabilities levels on earning persistence

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World Journal of Advanced Research and Reviews, 2022, 15(03), 182–191

Publication history: Received on 04 August 2022; revised on 06 September 2022; accepted on 08 September 2022

Article DOI: https://doi.org/10.30574/wjarr.2022.15.3.0900

Abstract

The purpose of this paper is to identify the effect of difference between earning accounting and fiscal (DBEAF), and operational cashflow (OPRCF) with level of liabilities (LBLTY) as control variables on earning persistence. Population of this research was food and beverage companies listed on the Indonesian Stock Exchange (IDX) in 2019–2021. The used method in this research is multiple linear regression-ordinary least square and hypotheses testing using t-test to test the regression coefficients with level of significance of 5 percent. The results showed that DBEAF, and OPCF have a significant positive effect on the earning persistence. While the LBLTY has an insignificant negative effect on the earning persistence. The results showed that earning persistence increases as DBEAF, and OPRCF of the company improves. While the LBLTY has a insignificant negative effect on earning persistence.

Keywords: Difference between earning accounting and fiscal; Operational cash flow; Level of liabilities; Earning persistence; Food and beverage; IDX

1 Introduction

Profit has a crucial role in a company and can maintain the company's continuity and do many business things to develop its business. Managers expect high profits to determine the bonuses received and for company owners to calculate dividends. Otherwise, for employees in terms of compensation to be received, for a creditor who predicts the possibility of receiving interest along with the principal of the loan, and for the government in terms of taxation? Earnings persistence shows the company's ability to maintain profits from time to time [1]. States that earnings persistence from the current year's profit innovation is associated with changes in stock prices. The more permanent the change in earnings from time to time, the higher the earnings response coefficient, which indicates good earnings quality. Earnings persistence is the center of attention for users of financial statements, especially for those who expect high earnings persistence [2]. Reveals that persistent earnings are earnings that can reflect sustainable earnings in the future. Understanding earnings persistence in principle is viewed from two perspectives. The first view states that earnings persistence is related to the company's overall performance, which reflects in the company's earnings. This view states that high persistent earnings are reflected in sustainable earnings for an extended period.

In Indonesia, problems regarding the credibility of earnings information often occur, causing a decline in investor confidence in earnings persistence. As happened at PT Tiga Pilar Sejahtera Food Tbk in 2020 (AISA), they maintained profits by increasing the amount in accounts receivable, inventories, and assets worth Rp 4 trillion in the 2019 financial statements. In addition, several other affiliated transactions were also not reported. Several figures in several other financial posts also proved to be increased. (www.cnbcindonesia.com, 2022) This condition indicates that the profit condition in the financial statements is not following the situation it should be, so the profit figure considers to have a

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low profit. On the other hand, the lower the earnings persistence, the lower the earnings response coefficient. That indicates the company's earnings are not qualified.

Previous research that has tested and explained the phenomenon of earnings persistence in companies listed on the Stock Exchange with agency theory found several independent variables that were proven to affect the level of earnings persistence, among others. The first independent variable influences the difference between accounting profit and fiscal profit [3],[4]. According to [5] the factor affecting earnings persistence is the difference between accounting and fiscal profit. This difference occurs because accounting financial statements intend to assess the economic performance and financial condition of the business sector, while fiscal financial statements calculate taxes. Another difference occurs because not all accounting regulations in Financial Accounting Standards (SAK) are allowed in tax regulations, so it suspects that it can affect earnings quality [6].

Earnings persistence indicates the expected future accounting profit correction implemented in the current year's profit. *Persistent profits* are profits that do not often fluctuate in each period and tend to be more stable. In this case, earnings persistence measures earnings quality because quality earnings will show profit sustainability. Several references to financial studies explain the contribution of differences in accounting profit and fiscal profit to evaluate the quality of earnings reported by the company [7]. In carrying out bookkeeping or compiling financial statements, companies in Indonesia based on applicable standards, including Financial Accounting Standards and fiscal financial statements based on the provisions of tax laws and regulations. There gave rise to the term's commercial financial statements and fiscal financial statements. The commercial financial statements are prepared based on Financial Accounting Standards that present information during a specific period and intend to assess economic performance and financial condition. In contrast, fiscal financial statements are to which are prepared based on tax provisions and intended to calculate the tax payable. The difference between the two bases for preparing financial statements results in differences in the calculation of an entity's profit (loss). Because of this difference causes a difference between income before tax (accounting profit) and taxable income (fiscal profit). The causes of differences between pre-tax income and taxable income can categorize into permanent and temporary differences [8].

The next earnings persistence factor is the cash flow statement, which affects earnings persistence. Cash flow is part of the company's financial statements that is used as a reference for investors to assess the company's development and maintain the company's liquidity level. According [9] the operating cash flow is critical in the survival of a company because the company must be able to create positive net cash flows in the long term, proving that the company has sufficient financing sources for the future. The higher the operating cash flow will be in line with, the higher the persistence of profits earned. Previous research stated that the results of [10] research stated that cash flow had a positive effect on earnings persistence, while [11] stated that a negative effect on earnings persistence. The liability level affects a company's earnings persistence. Shareholders benefit from financial solvency to the extent that the profit generated on the borrowed money exceeds the interest expense and in the event of an increase in the stocks market value. [12] To confirms that the level of liability has a negative effect on earnings persistence, while Sabrina (2017) stated that it had a positive effect on earnings persistence.

In addition, the level of debt is thought to affect the quality of a company's earnings. Shareholders benefit from financial solvency to the extent that the profit generated on the borrowed money exceeds the interest expense and in the event of an increase in the stocks market value. Debt means the company must pay interest and principal at maturity. If the company cannot pay, it will pose a risk of failure, so the desired level of debt depends on the stability of the company's financial condition. In addition, the significant level of corporate debt will cause the company to increase earnings persistence to maintain good performance in the eyes of auditors and investors. With this good performance, it is hoped that creditors will continue to have confidence in the company, making it easier to lend funds and providing convenience in the payment process. According to [13] the food and beverage industry occupies the third position out of four manufacturing industries that are in demand by investors. The food and beverage sub-sector manufacturing industry has good prospects.

2 Material and methods

2.1 Agency Theory

Agency theory involves two parties, namely the agent and the principal. The principal's desire must be carried out by the agent so that the principal can get a potential return on the investment that submits a certain amount of funds to the company. This situation creates a problem between the agent and the principal or shareholder; the agent does not work following the owner's wishes. [14] State that agency theory is concerned with solving two problems that occur between agency relationships. First, agency problems arise because of the desires or goals of the principal and agent conflict; second, it is very difficult or expensive for the principal to verify the agent's actions. [15] presenting agency theory while integrating it with property rights theory and developing the theory of corporate ownership structure. This theory describes the relationship between the separation of ownership and control of the company. Owner-agent conflicts are categorized as conflicts between shareholders and agents, conflicts between bondholders and agents, and conflicts between producers and consumers. The board of directors' role is an information system that the company's shareholders can use to monitor the fraudulent activities of the top executive. This positive accounting flow emphasizes regulatory mechanisms in solving the problems faced in agency theory [16].

2.2 Profit Persistence

Persistent earnings are profits that can reflect the future continuation of earnings or sustainable earnings determined by the accrual component and its cash flow. Earning persistence is a revision of expected future earnings as reflected in the current year's profit. According to [1], *earnings persistence* is the revision of expected future earnings implied by earnings innovations for the current year so that earnings persistence can see from annual earnings innovations. Many researchers currently are less focused on researching the persistence of accounting earnings. The percentage of accounting profit is a revision in expected future accounting profit that the current year's profit will apply. The magnitude of this revision shows the level of earnings persistence. Earning persistence is a profit property that explains the company's ability to maintain the amount of profit earned now and in the future. Earning persistence is one measure of earnings quality where quality earnings can show profit sustainability, so persistent earnings tend not to fluctuate too much in each period. The persistence of accounting earnings is the expected future accounting profit, which is reflected in the current year's profit [17]. The profit measure describes the performance of a company's management in generating profits to pay interest, credit, dividends, investors, and government taxes. This profit information can be used to overcome fraud in generating future profits, interpreting the risk in investing. As we know, the purpose of financial reporting is to provide helpful information for those who use it, such as investors and creditors, in making investment and credit decisions. Persistent earnings are profits that can reflect the continuation of earnings or sustainable earnings in the future, determined by the accrual component and its cash flow. Earning persistence is a revision of expected future earnings as reflected in the current year's profit, and it can also formulate by [18].

The difference between accounting financial statements (commercial) and fiscal financial statements is that commercial, financial reports assess the economic performance and financial condition of the business sector, while fiscal financial statements calculate taxes [19]. Another difference occurs because not all accounting regulations in financial accounting standards are allowed in tax regulations. The differences are caused by different recognition and measurement requirements between financial accounting standards and tax regulations. These differences are generally classified into permanent and temporary differences or time [19]. Permanent differences (permanent differences) or permanent differences occur because income and expense transactions are recognized according to commercial accounting and not recognized according to fiscal. Temporary or time differences occur because, based on the provisions of tax laws and regulations, income or expenses may be deducted in the previous accounting period or the next accounting period from the current accounting period. Meanwhile, commercial recognizes it as income or expense in the period concerned [19]. This study only focuses on temporary differences following research conducted by [5],[20],[3].[7]. The difference between accounting and fiscal profit is that it significantly impacts the persistence of company earnings.

2.3 Difference between earning accounting and fiscal

That identified a relationship between cash flow risk, capital structure decisions, and operating cash flows. Firms with higher cash flow volatility have higher debt levels, and this positive relationship is only for firms with the weakest financial performance as measured by operating cash flows. When companies rank by operating cash flow, those at the bottom increase their use of leverage in the face of increased cash flow risk. For companies with operating cash flows that are in the middle to upper size, the relationship between the cash flow risk faced by the company and the use of leverage is not statistically significant [21]. The results showed that the difference between accounting and fiscal profit affected profit persistence [22]. The difference between accounting profit and fiscal profit is measured using the deferred tax expense proxy formulated by [3].

2.4 Operation cash flow

While operating cash flow variables significantly affect earnings persistence [22]. Cash flow and cash flow have the same meaning, and it is just that cash flow is a commonly used term, as in the research conducted by (Rima and Yusrawati, 2021). The cash flow statement is one of the leading financial statements, in addition to the balance sheet and income statement. The cash flow statement summarizes the sources of cash available to carry out the company's activities and their use during a specific period [24]. The cash flow statement must report cash flows during a specific period and be classified according to operating, investing, and financing activities [24] Cash flows from operating activities were mainly derived from the company's main revenue-generating activities. Operating cash flow is calculated based on the total operating cash flow in the current year [3]. Cash flow from the company's operational activities is the dominant and most important factor in supporting the company's success. The balance of cash inflows is a force towards the realization of profit-oriented.

2.5 The Level of Debt

Liabilities or debts are all the company's financial obligations to other parties that have not been fulfilled, where this debt is a source of funds or capital for a company. Liabilities classify into current liabilities (short-term liabilities) and long-term liabilities. The significant level of corporate debt will cause the company to increase earnings persistence to maintain good performance in the eyes of auditors and investors [18]. With the good performance, it is hoped that creditors will continue to have confidence in the company, making it easier to lend funds and providing convenience in the payment process. Meanwhile, the debt level variable has a significant effect on Earning Persistence [23]. The significant level of corporate debt will cause the company to increase earnings persistence to maintain good performance in the eyes of auditors and investors [18]. With this good performance, creditors hope will continue to have confidence in the company, making it easier to lend funds and providing convenience in the payment process. The debt level is measured by the debt ratio to total assets (debt-to-total assets ratio). The ratio of debt to total assets is obtained by dividing the company's total debt by its total assets [25]. It also describes the company's ability to pay all its long-term liabilities.

2.6 Conceptual Framework

Generally, the difference between accounting and fiscal profits and cash flows originating from the company's operational activities affects earnings persistence. Likewise, the level of liability expects to control the relationship between the independent and dependent variables.

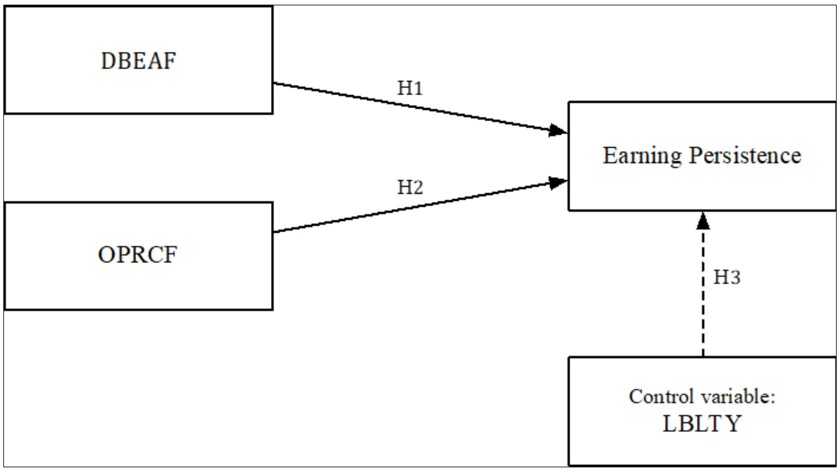

Figure 1 Conceptual framework

Based on the display in Figure 1, it can be expressed that the hypotheses in the study are as follows.

- H1: Difference between accounting and fiscal profit to positive impact on earning persistence.
- H2: Operating cash flow to positive impact on earning persistence.
- H3: Level of Liability positive affect on earning persistence.

Material and methods: This research is conducted by using a quantitative approach that focuses on hypothesis testing. The assumptions used in this research are measurable variables that begin with hypotheses and theories.

2.7 Research variable

Dependent variable in this research is earning persistence, while independent variable is DBAFP and OPRCF. The research also used control variables, consisting of LBLTY.

2.8 Operation definition of variables

2.8.1 Earning persistence

Earnings persistence is earnings that can reflect the continuation of the company's profit or sustainable earnings in the future, determined by the accrual component and its cash flow. Earning persistence is a revision of expected future earnings as reflected in the current year's profit.

Earning persistence, which is calculated by the following formula [18]:

$$\text{Earning persistence (Earning} + 1) = \alpha + \beta \text{ Earnings t} + \epsilon\text{t} + 1$$

2.8.2 DBEAF

DBEAF disclosure contained in the company and the difference between accounting financial statements or financial and fiscal financial statements is that commercial, financial reports assess the business sector's economic performance and financial condition, while fiscal financial statements are intended to calculate taxes. Another difference occurs because not all accounting regulations in financial accounting standards are allowed in tax regulations, and proxied with formula {3}:

$$\text{Deffered tax expense} = \frac{Deffered\ tax\ expens}{Total\ assets\ (t-1)}$$

2.8.3 OPRCF

OPRCF is cash flow from operating activities is an element of the cash flow statement, mainly obtained from the company's operational activities in terms of income and operating expenses. Operating cash flow is calculated based on the total operating cash flow in the current year [3].

2.8.4 LBLTY

LBLTY is level of liabilities, are all sources of use of funds and are the company's obligations both in the short and long term to support the company's operations and can be formulated as follows [25]:

$$\text{Debt to total assets ratio} = \frac{Total\ liabilities}{Total\ assets}$$

2.9 Type and data resource

The type of data used in this study is quantitative data, and the type of ratio. Sources of data in this study are secondary data that are obtained from data sources of audited financial statements and annual reports of food and beverage companies listed on IDX from the period 2019–2021. The company's financial and annual reports are obtained from IDX's website www.idx.com and yahoo finance.

2.10 Data collection procedure

The collection data method in this study is by recording the required data listed in the financial statements and annual reports of companies and yahoo finance. After that, calculations for each variable are performed, then followed by data analysis. It therefore proceeds as documentation, collection, selection, tabulation for quantitative analysis and presented as informative processed data.

2.11 Population and sample

The population in this study is a food and beverage company listed on the Indonesian Stock Exchange (IDX) in 2019–2021 [26]. Sampling technique in this research is purposive sampling. The sampling criteria in this research are:

- food and beverage companies listed on IDX 2019–2021;
- companies that are always listed on the IDX during the research period;
- companies that publish complete financial reports and annual reports during 2019–2021;
- the unit of financial reporting currency used is rupiah.

From all manufacturing companies listed in the Indonesian Stock Exchange (IDX) for the period 2019–2021, there were obtained samples from each period as follows (Table I).

Table 1 Criteria of sample research

Criteria		
1.	Total population of food and beverage companies listed on IDX	33
2.	Company not listed on the IDX during the study period	(7)
3.	The financial statements and annual reports are incomplete during the period 2019–2021	(0)
4.	The company is in a state of loss in the period 2019 - 2021	(9)
5.	Units of currency other than the rupiah during the period 2019–2021	(0)
Total sample: Years of observation (3) x sample meets criteria (17) =		51

2.11.1 Explanation

Intercept coefficient; *β1-3* the coefficient for each independent variable; DBAEF = Difference between accounting earning and fiscal; OPRCF = Operating cash flow; LBLTY = level of liabilities; ε = Error.

Stages in multiple regression analysis techniques are descriptive statistics, classical assumption test, normality test, autocorrelation test, multicollinearity test, and Heteroskedasticity test. Hypothesis testing using t-test with significance level of 0.05 (α = 0.05).

2.12 Analysis technique

Analytical techniques used to test and prove the hypothesis in this study are multiple regression model (regression multiple), with the help of Statistical Product and Service Solutions 22 [27]. The research model for this research can be expressed in the following equation:

$$Earning\ persistence\ = \alpha + \beta 1DBEAF + \beta 2OPRCF + \beta 3LBLTY\ + e$$

3 Results

3.1 Subject and object research description

The subject of this research is the effect of on the earning persistence in food and beverage companies listed on the IDX for the period 2019–2021. The object of this study is a food and beverage company listed on the IDX in 2019–2021 period contained in www.idx.co.id. Total sample companies according to the criteria are 51 observations.

3.2 Descriptive statistical analysis

Descriptive statistical analysis in this study aims to describe the variables used, i.e. DBEAF, OPRCF, and LBLTY on earning persistence. Based on the research results, the minimum, maximum and average value of each variable of the sampled company during 2019–2021 can be seen (Table 2).

Table 2 Descriptive test results

Variable	n	Minimum	Maximum	Mean	SD
DBEAF	51	0.0004	0.2013	0.3360	0.4370
OPRCF	51	0.0033	0.5305	0.1424	0.1134
LBLTY	51	0.0573	0.8586	0.3857	0.1772
Earning Persistence	51	0.019	0.4227	0.0926	0.0810
Valid N (listwish)	51				

3.2.1 Difference between earning accounting and fiscal

Difference between earning accounting and tax is proxied by DBEAF. Based on the results of descriptive statistical analysis, the highest value of 0.20 for PT. Multi Bintang Indonesia Tbk in 2019 and the lowest value of 0.0004 for PT. Mayora Indah Tbk in 2020. The average value of the sample DBEAF is 0.336 which reflects the company's DBEAF at 33.60 percent.

3.2.2 Operating cash flow

Operating cash flow is proxied by OPRCF. Based on the results of descriptive statistical analysis, the highest value of 0.5305 for PT. Multi Bintang Indonesia Tbk in 2019 and the lowest value of 0.0033 for PT. Ekar Laut Tbk in 2019. The average value of the sample OPRCF is 0.1134 which reflects the company's OPRCF at 11.34 percent.

3.2.3 Level of liabilities

The level of liability is proxied by LBTY. Based on the results of descriptive statistical analysis, the highest value of 0.8586 for PT. Wahana Interfood Nusantara Tbk in 2019 and the lowest value of 0.0573 for PT. Campina Ice Cream Industry Tbk in 2020. The average LBLTY of the sample LBLTY is 0.1772 which reflects the company's LBLTY at 17.72 percent.

3.2.4 Earning persistence

The earning persistence is proxied by EPSTC. Base on the results of descriptive statistical analysis, the highest volume of 0.4227 for PT. Multi Bintang Indonesia Tbk in 2019 and the lowest value of 0.0019 which reflects the company's PT. Sekar Bumi Tbk in 2020. The average value of EPSTC of the sample earning persistence is 0.0926 or earning persistence with reflects this company's earning persistence at 9.3 percent.

3.2.5 Regression model analysis

The regression analysis is used to test the effect of independent variables on dependent variable. This study uses multiple regression analysis to determine the effect of DBEAF, OPRCF, and LBLTY on earning persistence. The following is the result of the regression. Based on the calculation of regression Table III, can be formulated the regression equation as follows:

$$Earning\ persistence\ =\ 0.044 +\ 0.447DBEAF\ +\ 0.403OPRCF +\ -0.116LBLTY\ +\ e$$

The positive coefficient indicates the change between the independent and dependent variables is in the same direction, whereas the negative coefficient indicates the change between the independent variables is in the opposite direction. Here is the interpretation of the regression coefficient value above.

Table 3 Regression coefficient results coefficient[s]

Unstandardized coefficients			**Standardized coefficients**		
Model	***B***	**SE**	***β***	**t**	**Sig.**
(Constant)	0.044	0.020		2.247	0.029
DBEAF	0.828	0.253	0.447	3.268	0.002
OPRCF	0.288	0.098	0.403	2.936	0.005
LBLTY	-0.053	0.039	-0.116	-1.355	0.182

Notes: a Dependent variable: Earning persistence, *Significant at 5 percent

3.2.6 Constants

If DBEAF, OPERCF, and LBLTY do not give effect then the firm value will be 0.004.

3.3 Different between earning accountancy and fiscal (DBEAF)

DBEAF variable coefficient of 0.828 means that if the DBEAF has increased by one unit then the earning persistence of the company will increase by 0.828 and vice versa. The sign of a positive regression coefficient signifies a direct relationship.

3.4 Operating cash flow (OPRCF)

OPRCF variable coefficient of 0.288 means that if the size increased one unit then the earning persistence of the company will increase by 0.288 and vice versa. The sign of a positive regression coefficient signifies a direct relationship.

3.5 Level of liability (LBLTY)

The LBLTY variable coefficient of -0.053 means that if LBLTY is increased one unit then the earning persistence of the company will decrease by 0.058 and vice versa. The sign of a negative regression coefficient in signifies a direct relationship.

3.6 Determination coefficient and correlation coefficient

From the regression test results, the coefficient of correlation and determination can be seen as follows: From the results of the regression test, it can also see that the correlation coefficient and determination are as follows:

Table 4 Determinant and correlation coefficient result

Model	*R*	*R^2*	Adjusted R^2	Atd. error of the estimate
1	0.816	0.665	0.664	0.04829

Notes: [a] Predictors: (Constant), LBLTY, DBEAF, OPRCF; [d]ependent variable: Earning persistence

From Table 4 can be seen that the value of R is 0.816 or strength categories relation of DBEAF, OPRCF and LBLTY on earning persistence. The next value of R^2 or coefficient of determination is equal to 0.665. This means that the change of eraning persistence variable (Y) caused by DBEAF, OPRCF, and LBLTY is 0.665 or 66.5 percent while the rest of 0.335 or 33.5 percent is influenced by other variables outside independent variables and controls used in the study.

3.7 Hypothesis test

From the results of the classical assumption test, the results obtained stated that the data had been distributed normally, with no autocorrelation, no multicollinearity, and no symptoms of heteroscedasticity. Hypothesis testing is done to know the significance of independent variables' effect on the dependent variable. Here is the t-test result. Based on Table V, the effect of each independent variable can be explained as follows:

- DBEAF variable to the firm value is 3.268 with a significance level of 0.002. The significant level of this variable is less than 5 percent so it can be concluded that DBEAF has a significant positive effect on earning persistence.
- Variable OPRCF is equal to 2.936 with significance value of 0.005 so it concludes that OPRCF has a significant positive effect on earning persistence.
- Control variable of level of liability (LBLTY) to earning persistence is equal to -1.355 with significance value of 0.000 so it concludes that LBLTY has not significant negative effect on earning persistence.

4 Discussion

4.1 The effect of DBEAF to earning persistence

The results of this study are consistent with the agency theory that achieving profit is one of the essential efforts carried out by managers as principal agents by [15],[16]. There is to achieve long-term sustainability and prosperity for all. The study results to confirm research of [2], [6], [21], [3], [8] that difference between accounting and fiscal profit is significantly impacts on the persistence of company earnings. If it saw the existence of deferred tax benefits or benefits, it can say that the difference between accounting profit and fiscal profit does not always signal low earnings quality. This situation is because the company may recognize costs early and defer earnings, so there will be a deferred tax benefit or benefit in the next year, reducing the current tax expense in the next year. They also impact increasing dividends distributed in the next year, which causes an increasing number of investors who invest in the company in the future. The more investors invest in the company, the more funds it can use to maintain its operational activities or expand its business so that it will impact company profits in the future.

4.2 The effect of OPRCF to earning persistence

The results of this research are in line with agency theory by [15], [24] that the existence of cash flow from operating activities will be able to support all company operations. An agent uses full power to regulate the company in achieving optimal profit for the principal. The results of this study also confirm previous studies by [23], [3]. Cash flow from operating activities mainly derives from the company's main income-generating activities, so it concluded that the higher the operating cash flow of a company, the higher the persistence of its profits. The higher the balance of cash flow originating from operational activities, the more it will support the company in carrying out its operations more optimally. Thus, the production and sales turnover are higher, and the profit achievement is too. Cash flow originating from operational activities in the food and beverage company is an absolute thing to be more dominant than cash flow originating from investment and funding activities.

4.3 The effect of LBLTY to earning persistence

The results of this study are in line with agency theory by [15], 16], where the agent as the party who runs the company and gets full support from the principal is the ideal of an agency theory. Thus, whatever the agent does to achieve the company's success, it must gain the trust of the principal. The results of this study do not confirm previous studies conducted by [18], [23]. Debt means the company must pay interest and principal at maturity. If the company is unable to pay, it will pose a risk of failure so that the profits earned by the company will be prioritized to pay debts and interest rather than to maintain company income and finance the company's operational activities, which will likely have an impact on the decline in company profits in the future. However, as agents, managers have strategies for utilizing all available funding sources to support the company's operations. So that the level of liability is not an obstacle to achieving its goal of optimizing profit achievement. The liability level cannot control the achievement of the company's earning persistence. In this case, the agency theory is applicable, and the agent becomes the decisive party in achieving success on the mandate given by the principal.

5 Conclusion

Based on the data analysis and discussion in the previous chapter, this research concludes that although the implementation of DBEAF and OPRCF in food and beverage companies listing on IDX as a dominant variable in earning persistence realization. The study results also show that DBEAF has a dominant effect on earning persistence, followed by OPRCF, while LBLTY has no significant effect. The study also showed that DBEAF positively and significantly affected earnings persistence. OPRCF has a positive and significant effect on earning persistence. Meanwhile, LBLTY has a negative but not significant effect on earning persistence. In this case, DBEAF is an independent variable that has a dominant effect on earning persistence, followed by OPRCF and LBLTY.

The limitation in this research is that the implementation of DBEAF, OPRCF and LBLTY in Indonesian companies is still not yet comprehensive, especially for food and beverage companies. Therefore, optimistic that in future studies, the use of variables and samples will develop so that the consistency of these findings can be proven better.

Compliance with ethical standards

Acknowledgments

The author would like to thank the funding support from LPPM Widya Gama University Mahakam Samarinda for this research.

Disclosure of conflict of interest

The author declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

Statement of informed consent

This study does not involve information about other individuals and uses secondary data from online publications.

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