

# STOCK PERFORMANCE COMPARISON WITH EVA'S PARAMETER AND ACCOUNTING PROFIT CONCEPT A CASE STUDY ON PT. TELKOM INDONESIA, Tbk IN INDONESIAN STOCK EXCHANGE

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*Abstrak : Penelitian ini bertujuan untuk mengetahui bahwa apakah sama kinerja Saham dengan menggunakan Parameter Laba Akuntansi dan Economic Value Added (EVA) dalam bentuk Indeks Treynor dan Indeks Sharpe pada Saham PT.Telkom,Tbk .Dari analisis Economic Value Added menghasilkan nilai yang positif, ini menandakan bahwa tingkat pengembalian yang dihasilkan melebihi tingkat biaya modal atau tingkat pengembalian yang diminta oleh investor atas investasi yang dilakukannya, keadaan menunjukkan bahwa perusahaan berhasil menciptakan nilai bagi pemilik modal, konsisten dengan tujuan untuk memaksimalkan nilai perusahaan.Dari analisis beda kinerja dihasilkan bahwa terdapat perbedaan dalam mengukur kinerja saham antara parameter Laba EVA dengan Laba Akuntansi. Baik kinerja saham yang terukur dari risiko pasar maupun yang terukur dengan risiko individu saham yang ditandai dengan parameter indeks Sharpe, dan indeks Treynor tetap menunjukkan adanya perbedaan*

**Keyword: Performance, Accounting Profit, Economic value Added, Sharp and Treynor Index**

## A. Preface

Capital market involve in national economy development. It marked by a number fund that mobilized passes through capital market that increase quick and gets at points out by more and more Institution and Individual that have firm stock already Go Public. Basically exists four strategic Roles of capital markets for economics a state, namely:a) as collection of Source lents fund functioning capital market alternately, besides system all this time banking recognised constitute fund accumulator konfersional.

There are many firm which wants to constitute effort extension (expansion) can get credit of bank, but there is bank limitation in channels it. since bank have relevances with authority monetary ones each while do monitorings to foot up circulating money (money supply) to look after economy stability. Therefore, government perceives to need provides alternative other finances that each while can at utilizes by firm-given firm that needs. formation and capital market activation is one of the ways that at sails through government at there are many capital market enables firm publish worth letter (sekuritas), either by bonds or Stock, With

utilize fund source of that capital market, firm can most dodge of debt to equity ratio's condition that overestimates. b) As Investment Alternative for investor. If no choice other investment, therefore investor just invest its fund in system banking or on real assets. But then with marks sense capital market, giving chance to investor to form investment portofolio with expect more gain and feels equal to take on a number jeopardy may happen.c) Collection's Cost Lents Fund To Pass Through Relative Capital Market Contemns. In does fund collection,firm needs relative cost little if acquired through stock sell than borrowing to bank. d) Capital market Will push Investment developing. In development planning, requirement investment will gone upon by estimate settle increases economic growth. E.g. on repelita VI government target on economic growth fast 7.1%.based on this estimate,therefore required investment funds as big as Rp.815 Trillion. Among of 77% at expects stem from private sector,and capital market is one of financial institution which be expected role big it in mobilized that investment funds,so government will be helped deep memobilisasi lents fund from society.

PT Telkom Indonesian Tbk, are one of state own company in carries on business communication that its enough stock fluctuation.

Gain zoom Telkom Indonesian, experiencing step-up that passably. It can be seen from success it gathers net profit as big as Rp9.2 trillion until III'S quarter on this 2006. The growth reaches 62% if than on year 2005 deep same periods. Despitefully, achievement Telkom at the early 2006 enough prides. Hal this at proves stock success Telkom penetrates Rp10.000 Per sheet. In another developing until 27 february 2007 Telkom ,have bought its stock back already been taken down to society as much 166.665.500 stock that constitutes 16.53% dari stock amount that may buy back by Telkom or 0.83% dari full scale 20.1 milyar resident stock and at setor heaving full, also been successful through 1000 big corporate most advantage at magazine version the world world economic prestigious which is *Bussiness Week*.

The management of Telkom Indonesian gets collaboration with The management of Nokia Indonesian and arranges collaboration in term communications satellite with China. Collaboration with PT Nokia Indonesian which is program collaboration covers link Telkom Hotspot by Telkom at area already agree , so can be used for promotion .as well as,Nokia will also do Telkom Hotspot's promotion at Telkom Hotspot's area one particular. Meanwhile job form equals state own company of China belonging covers various area for example design, manufacturing, assembly, tested and satellite launching. New satellite that its plan named by TELKOM 3 projected have greater capacity with 42 transponder and gets operating in many frequency. Telkom -3 will be used to back up Telkom's expansions in carries on business seluler and Internet.

Earthquake that gets to try a fall 7.1 richter's scales that rocks Taiwan to cause its disconnect optic fiber network down oceanic that pass that link's communication Internet International a number of state at pacifics Asian area, include Indonesia. To

Telkom own,internet connection that provided by Telkom experiences excitement hit which is vicinity troublesome 80% of its capacity. The importance for measure stock performance which is to know developing or performance zoom a .Makin's firm profit high effort therefore becoming big gain which is gotten as stockholder. Besides firm performance,indusri's prospect and developing where firm lies,condition of macro and micro economic also regard price a stock.

## **B. Capital market**

Capital Market as a pertinent activity with public offer and effect comerce, public's firm that gets bearing with effect that at publishes it,and institutes and profession that get bearing with effect. According to Halim (2005:4) capital market is place that organize effect sell transactions or is called also stock exchange whereas terminological Darmadji (2001:1) Capital market (capital market) are constitute market for various instrument financially longterm one that can be traded,well in book debt form or equity even. A). Capital Market function , Capital market has big role for economics a state since capital market carries on two functions at a swoop which is economy function and finance functions. Said by economic function on capital market because market provide facility or mode that bridges two behalfs which is party which have excesses fund an sides that requires to lent fund was said to have finance function because capital market give possible and chance to get return. Owner lents fund to correspond to investment characteristic that is chosen. (Darmadji ,2001:2).b). Investment , In common investment have far-flung savvy. Investment used to mean as a revaluations harnessed form asset or proprietary wealth in order to gets a number gain. According to Halim (2005:4) Investment is place a number Dana for the moment with expectation to get gain at approaching term and terminological Darmadji (2001:110) Investment can also at artikan as a place commitment lents fund on one or many investment object with expectation will get gain at approaching term.

### C. Stock

Stock constitutes a piece of paper that points out a someone ownership prove to firm. With have stock as big as capital which be imbedded. According to Darmadji (2001:5) Stock is sign accompaniment or someone or body possession in a firm or limited liability. Stock type , Stock or stock constitutes sekuritas already there are many recognised society,there is type even stock terminologicals Darmadji (2001:6) are: a). Sighted from ability facet in right for bill or claim: and b). Common stock (Common Stock) The common stock constitute stock that place its owner most junior to division deviden and right for on corporate wealth asset if corporate that at liquidation. C). Preferen's stock (Preferen Stock).

Preferen's stock constitute stock that have affiliate characteristic among debenture bond and common stock,since can result fixed-income (seperti bunga obligasi) but can also don't get to usufruct as which expected by investor.

### D. EVA (Economic Value Added)

EVA is one of the ways to assess finance performance. EVA constitutes indicator about mark sense point increase of an investment. EVA that positive points out that successful corporate management increase firm point for perisahaan's owner in one's line finance management which is memaksimalkan assesses firm. (Agnes, 2003:48) According to Amen (2001:2) EVA is unrealized one be stayed behind after lessened with average cost of capital one that is invested for yeald that profit. EVA constitutes a yardstick that figures to foot up absolute of stockholder point one that is created (created) or is wrecked (destroyed) on given periodic time, usually one year. If  $EVA > 0$ , therefore firm can value added result via its operational activities so not only can pay all its liabilities for creditor to lent fund and tax side but can also result more profit to ie firm corporate one has to assess EVA positive is corporate good one. If  $EVA = 0$ , corporate matter just can result profit that just enough for meeting liabilities it on creditor lents fund and

government without can result good profit. If  $EVA < 0$ , that company regad as looser.

### E. Accounting profit.

According to FASB statement in Sofyan (1998;113) is Accounting constitutes changing deep `equity` (net asset) of an `entity` up to a given period that by transactions and instance or indigenous scene is not owner. Balance reporting provides details of income,charges,benefit and mis out firm for a given period. According to Jhon (2005;25) unrealized type comprise of:

- 1) Net profit corporate is a profitability concept . Profit reflects return to equity owner to pertinent period. While how profit was gotten by .profit constitute estimate on equity ascension or decrease before distribution to and contribute to equity's owner.
- 2) Gross profit constituting difference among sell and cost of goods sold. Gross profit betokens one how far firm can close its product cost.
- 3) Profit Hads Out (Earning From Operati-on) constituting difference among sell with exhaustive cost and. operational profit charges Hads Out usually don't range average cost of capital an is taxes.
- 4) Profit before Taxes (Earning Before Taxes) constituting profit of operate for walking before reserve for income tax.
- 5) Profit Of Operate For walking (Earning From Continiung Operations) constituting profit of `peruhaan`'s business that be walks after flower and taxes.

### F. Technical Analisis

In this research will slightly give Economic Value Added's change condition, Accounting profit, `Sharpe`'s index, and Treynor Index as follows

#### 1. `Economic Value Added`

`Economic Value Added` constitutes a refuse financial performance fathom that gets point basis. Meanwhile `Economic Value Added` it own is gotten cut back thru Capital Charges, where is NOPAT and CAPITAL CHARGE will be pointed out as follows:

**a. Net Operation Profit After Tax` (NOPAT)**

Nopat constitutes to assess that acquired of operate for afters firm reduced by income tax, but comprises finance cost and non `cash bookeeping Entries` `as `depreciation's cost. Structure of Nopat` is taxes afters net profit added by interest. There is result even `Nopat`s count of year 2004 until with year 2006 gets to be seen on tables, 3 and 4.

**Table 1: NOPAT'S year 2004**

Month	EAT	Interest	NOPAT
Januar y	6608770	1233560	7842330
February	6611524	1235910	7847434
March	6601360	1234750	7836110
April	6565565	1235153	7800718
May	6613168	1237750	7850918
June	6590899	1240800	7831699
July	6579052	1243605	7822657
August	6585573	1245780	7831353
September	6586427	1250678	7837105
October	6574199	1265700	7839899
November	6557511	1268000	7825511
December	6614568	1270136	7884704

Source: Data Counted

**Table 2: NOPAT year 2005**

Month	EAT	Interest	NOPAT
Januar y	7869740	1178690	9048430
February	7860242	1185719	9045961
March	7857579	1186811	9044390
April	7851338	1183833	9035171
May	7879150	1184890	9064040
June	7898537	1180918	9079455
July	7897399	1182000	9079399
August	7935986	1181110	9117096
September	7942792	1178151	9120943
October	7950174	1177179	9127353
November	7972304	1179269	9151573
December	7993566	1177268	9170834

Source: Data Counted

**Table 3: NOPAT year 2006**

Month	EAT	Interest	NOPAT
Januar y	10448088	1240365	11688453
February	10444345	1248750	11693095
March	10395647	1251650	11647297
April	10388911	1254300	11643211
May	10340798	1260900	11601698
June	10345420	1278800	11624220
July	10307869	1281000	11588869
August	10307905	1281900	11589805
September	10198104	1282300	11480404
October	10195587	1283100	11478687
November	10213740	1284151	11497891
December	11005577	1286354	12291931

Source: Data Counted

**b. Capital Charges**

Are streaming one be needed to replace investors on runs the risk effort of capital that be imbedded. Invested Capital` and WACC, where is is Totaled Book Debt be added By equity and WACC is Foot Up cost from each of cost component. Capital Charges`=`Invested Capital` x WACC where `Invested Capital`= Total Book Debt + Equity`. On table 5 point out `invested capital`s numbers on year 2004 tend experiences stable conditions, but few `menurun` on month of April, while on year 2005 slightly experience tending step-up stable, where on month of January increases `sampat` on steps-up peak december it, and on year 2006 not very differences with year 2005 `mengalami`s ones step-up culminates on year 2006.

**Table 4: Invested Capital year 2004 - 2006**

Month	<i>Debt + Equity</i>	<i>Debt + Equity</i>	<i>Debt + Equity</i>
	2004	2005	2006
Januar y	50099048	55121793	66748401
February	50054839	55205003	66764734
March	50389254	55267984	66794274
April	50225585	55327696	66805479
May	49989262	55387193	65824178

June	50960014	55457400	66830446
July	50884833	55536361	66848965
August	50986723	55592541	66880859
September	51035662	55663868	66088241
October	51050722	55739120	66921944
November	51066590	55799377	66936988
December	51330660	55865851	66948658

Source: Data Counted

### c. EVA compare with Accounting Profit

Table 9: EVA and Accounting Profit` year 2004

Month	NOPAT	CAPITAL CHARGE	EVA = NOPAT – CAPITAL CHARGE	Accounting Profit
January	7842330	2406250,763	5436079,237	6608770
February	7847434	2286122,627	5561311,373	6611524
March	7836110	2297306,053	5538803,947	6601360
April	7800718	2258443,655	5542274,345	6565565
May	7850918	2237861,294	5613056,706	6613168
June	7831699	2316922,517	5514776,483	6590899
July	7822657	2316111,205	5506545,795	6579052
August	7831353	2325661,475	5505691,525	6585573
September	7837105	2337319,51	5499785,490	6586427
October	7839899	2344081,708	5495817,292	6574199
November	7825511	2345250,508	5480260,492	6557511
December	7884704	2371139,25	5513564,750	6641568

Source; Data Counted

Table 10: EVA and Accounting Profit` year 2005

Month	NOPAT	CAPITAL CHARGE	EVA = NOPAT – CAPITAL CHARGE	Accounting Profit
January	9048430	2378346,562	6670083,438	7993566
February	9045961	2385927,272	6660033,728	7972304
March	9044390	2392430,543	6651959,457	7950174
April	9035171	2479329,443	6555841,557	7942792
May	9064040	2562876,361	6501163,639	7935986
June	9079455	2663662,733	6415792,267	7897399
July	9079399	2746624,319	6332774,681	7898537
August	9117096	3080503,166	6036592,834	7879150

September	9120943	327425,0581	8793517,942	7851338
October	9127353	360469,4596	8766883,540	7857579
November	9151573	3986774,255	5164798,745	7860242
December	9170834	4156390,879	5014443,121	7869740

Source: Data Counted

Then on year 2005 EVA experiences stabilities until month of June, then experiences decrease up until december, while accounting profit also tend `menurun` despite of don't `menjolak` its number.

Table 11: EVA and Accounting Profit` year 2006

Month	NOPAT	CAPITAL CHARGE	EVA = NOPAT – CAPITAL CHARGE	Accounting Profit
January	11688453	4947107,801	6741345,199	11005577
February	11693095	4944046,059	6749048,941	10213740
March	11647297	4942481,713	6704815,287	10195587
April	11643211	4946732,61	6696478,390	10198104
May	11601698	4729669,928	6872028,072	10307905
June	11624220	4854151,922	6770068,078	10307869
July	11588869	4758408,265	6830460,735	10345420
August	11589805	4565854,585	7023950,415	10340798
September	11480404	4281527,354	7198876,646	10388911
October	11478687	4179832,863	7298854,137	10395647
November	11497891	3986098,305	7511792,695	10444345
December	12291931	3792176,852	8499754,148	10448088

Source: Data Counted

And on year 2006 EVA tends to experience step-up where accounting profit tends to experience stable conditions, although on month of January experiences number step-up that `menjolak` if against which its afters moon. Of Unrealized count process EVA who is begun from year 2004 until with 2006 result positive EVA Profit it means good firm performance or happening value added process corporate.

### d. Index Performance

Index constitutes simultant`s influence and complex of a variety influential variable kind especially of

economy activities. And index that was measured by `sharpe`s Index, which is compare among portofolio jeopardy premium with stated portofolio jeopardy with deviation default(  $\delta$  ) or total jeopardy. Then Treynor Index which is compare among portofolio jeopardy premium with

stated portofolio with beta(  $\beta$  ) or market jeopardy zoom or systematics jeopardy. Hereafter Processes `Sharpe`s Index count and `IndeksTreynor` of year 2004 until with year 2006 :

Table 12: Standard arithmetic result EVA'S Unrealized Deviation year 2004

MONTH	EVA	(EVA ^ )	(EVA EVA ^ )	(EVA -EVA ^ ) ^ 2
AVERAGE( ^ )	5.517. 330,620		S D.( $\delta$ )EVA	1.766. 683. 853,144

Source: Data Counted

Table 13: Standard arithmetic result IHSG'S Deviation and Beta year 2004

MONTH	IHSG	(IHSG ^ )	(IHSG IHSG ^ )	(IHSG IHSG ^ ) ^ 2	$\beta$	COVARIANCE
						(EVA EVA ^ )*(IHSG-IHSG ^ )
AVERAGE( ^ )	135. 099,67		$\delta$ (IHSG)	179. 376. 171,2222		-9,14

Source: Data Counted

Table 14: Unrealized Deviation Default EVA year 2005

MONTH	EVA	(EVA ^ )	(EVA EVA ^ )	(EVA -EVA ^ ) ^ 2
AVERAGE( ^ )	6630323,746		STANDARD DEVIASI( $\delta$ )EVA	1.209. 613. 979. 525

Source: Data Counted

Table 15: Standard arithmetic result IHSG'S Deviation and Beta year 2005

YEAR 2005	IHSG	(IHSG ^ )	(IHSG IHSG ^ )	(IHSG IHSG ^ ) ^ 2	$\beta$	COVARIANCE
						(EVA EVA ^ )*(IHSG - IHSG ^ )
AVERAGE( ^ )	182500,25		$\delta$ (IHSG)	121. 948. 095,0208		-297,79

Source: Data Counted

Table 16: Unrealized Deviation Default EVA year 2006

MONTH	EVA	(EVA ^ )	(EVA EVA ^ )	(EVA -EVA ^ ) ^ 2
AVERAGE( ^ )	7074789,395		STANDAR DEVIASI( $\delta$ )EVA	248. 386. 612. 473,77

Source: Data Counted

Table 17: Standard IHSG'S Deviation and Beta year 2006

YEAR 2006	IHSG( X2)	(IHSG ^ )	(IHSG IHSG ^ )	(IHSG IHSG ^ ) ^ 2	$\beta$	COVARIANCE
						(EVA EVA ^ )*(IHSG - IHSG ^ )
AVERAGE( ^ )	260670,333		$\delta$ (IHSG)	50183462271		2,84

Source: Data Counted

Table 18: Unrealized Deviation Default year Accounting 2004

PERIOD	ACN	ACN( ^ )	(ACN-ACN^)	(ACN-ACN ^ ) ^ 2
AVERAGE( ^ )	6592968		S D.( $\delta$ )AKUN	507521595,5

Source: Data Counted

Table 19: Standard arithmetic result IHSG'S Deviation and Beta year 2004

YEAR 2004	IHSG	IHSG(^)	(IHSG - IHSG^)	(IHSG - IHSG^) <sup>2</sup>	β	COVARIANCE
						(AKUN-AKUN ^ ) (IHSG-IHSG ^ )
AVERAGE( ^ )	134. 467,50		δ (IHSG)	192. 801. 470,42		0,30

Source: Data Counted

Table 20: Unrealized Deviation Default year Accounting 2005

PERIOD	ACN	ACN( ^ )	(ACN-ACN^)	(ACN-ACN ^ ) <sup>2</sup>
AVERAGE( ^ )	7909067,25		S D.( δ )AKUN	2145582330

Source: Data Counted

Table 21: Standard arithmetic result IHSG'S Deviation and Beta year 2005

YEAR 2005	IHSG	IHSG(^)	(IHSG - IHSG^)	(IHSG - IHSG^) <sup>2</sup>	β	COVARIANCE
						(ACN-ACN ^ ) (IHSG-IHSG ^ )
AVERAGE( ^ )	182500,25		δ (IHSG)	121948095		-35,15

Source: Data Counted

Table 22: Unrealized Deviation Default year Accounting 2006

PERIOD	ACN	ACN( ^ )	(ACN-ACN^)	(ACN-ACN ^ ) <sup>2</sup>
AVERAGE( ^ )	10382665,92		S D.( δ )AKUN	42. 352. 635. 605,243

source Data Counted

Table 23: Standard arithmetic result IHSG'S Deviation and Beta year 2006

YEAR 2006	IHSG	IHSG(^)	(IHSG - IHSG^)	(IHSG - IHSG^) <sup>2</sup>	β	COVARIANCE
						(ACN-ACN ^ ) (IHSG-IHSG ^ )
AVERAGE( ^ )	260670,33		δ (IHSG)	1533570276		-6,24

Source: Data Counted

Arithmetic result and curve of `sharpe`'s Index and Treynor Index of year 2004 until with 2006 is as follows:

Table 24: Sharpe and Treynor Index 2004 - 2006

INDEX	2004	2005	2006
<b>SHARPE EVA</b>	0,003122987	0,0000054814	0,0000284830
<b>SHARPE ACN</b>	0,012990517	0,00368621	0,000245148
<b>TREYNOR EVA</b>	-603647,0694	-22264,8559	2495092,193
<b>TREYNOR ACN</b>	21958587,99	-224986,7939	-1664319,838

Source: Data Counted

## H. Conclusion

Above technical result and study already being done above therefore succeeding writer gleans from as follows:

1. Economic Value Added` results to assess that positive, this denotes that

resulting return zoom overshoot level average of capital or requested return zoom by investor on investment that be done, situation points out that firm successfuling to create value for capital

- owner, consistence is with intent for maximized to assess firm.
2. Performance difference is resulted that exists distinctive deep measure stock performance among EVA'S Unrealized parameter with Unrealized Accounting.
  3. Well measurable stock performance of market risk and also one measured by stock individual risk that marked by `Sharpe`'s index parameter, and Treynor index makes a abode to point out marks sense distinctive

### I. Recommendation

Hereafter this observational afters concluded therefore writer will suggest that For investor and investor candidate if do investment on Telkom therefore that ` may not basicly that coincides among utilize EVA'S parameter and Accounting profit. And better regular points on accepted parameter common that perception equation happening in does `analisis` stock price.

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