

KORESPONDENSI ARTIKEL

ANALYSIS OF FINANCIAL PERFORMANCE WITH CONVENTIONAL FINANCIAL RATIO AND EMOTICON

PADA JOURNAL OF CRITICAL REVIEWS

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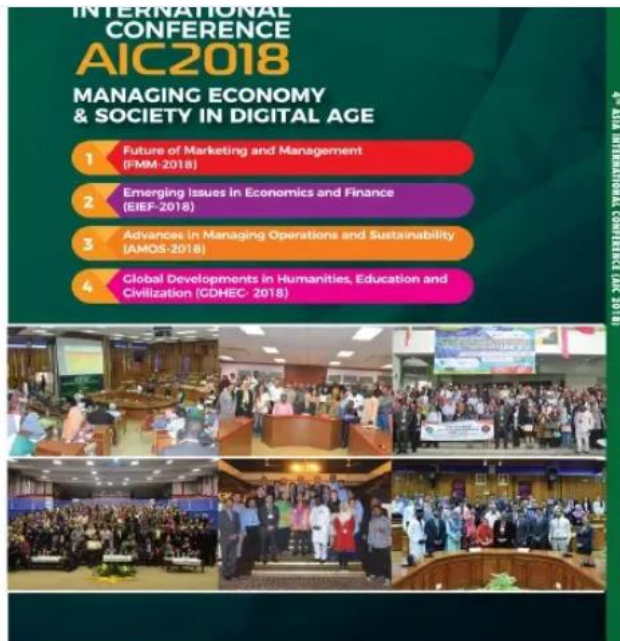
Artikel dikirim ke 4th Asia International Conference 2018. Prosen pengiriman melalui portal di bawah ini.

The screenshot shows the homepage of the Conal Conference Alerts website. The header includes a 'Home' link, a 'Log in' section with 'Username' and 'Password' fields, and a 'Search' bar. The main content area features a sidebar on the left with a vertical list of award categories: 'PRACTICE NURSING', 'Community/Public Health', 'Informatics', 'Research', and 'APRN'. The main content area displays the details for the '4th Asia International Conference 2018', including the dates '8th to 9th December 2018', the location 'Langkawi, Malaysia', and the contact person 'Dr. Muhammad Imran Qureshi'. It also mentions the website 'http://www.utm.my/asia' and the deadline for abstracts/proposals as '15th November 2018'. At the bottom, there are links for 'Back', 'Share', and 'Add to Google Calendar'.

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Saat presentasi banyak masukan dari peserta untuk perbaikan naskah kami. Setelah diperbaikai dan koreksi, kami kirim kembali naskah perbaikan ke panitia melalui portal yang tersedia. Naskah dimuat di buku abstrak artikel-artikel. Hasil koreksi akhir full naskah oleh Panitia dikirim ke jurnal mitra. Hasil menunjukkan bahwa naskah kami dikirim ke Journal of Critical Review dan dipublikasi.



THE EFFECTIVENESS OF FINANCIAL RATIO TO MITIGATE INFORMATION COMPLEXITY OF FINANCIAL STATEMENT FOR PERFORMANCE EVALUATION

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ABSTRACT: Rational and efficient asset allocation and investment decisions in the capital market require relevant and reliable information. One source of information in such decision making in capital market is financial statements. Financial statements, however, provide voluminous and complex information which in turn diminishing the quality of the decision. Based on current studies investors are not fully rational decision maker due to the presence of bounded rationality. To reduce the complexity of information and make a rational decision, investor and financial analyst use financial ratios to evaluate company's financial performance. This research was aimed to observe whether the use of financial ratio to evaluate company's financial performance can mitigate the investor irrationality in asset allocation and financial decision making. The research sample was the financial statements of company listed on Indonesian Stock Exchange (IDX) during 2015 to 2017. Data were downloaded from Indonesian Capital Market web sites. Correlation analysis used to analyze the effectiveness of 11 financial ratios data. The result of the study indicates the ability of financial ratio describing company's financial performance. Pearson's correlation analysis also indicates a significant and high correlation within groups among liquidity ratios, solvency ratios, and profitability ratios. This result shows that some ratios can be simplified and reduced to a simplest and efficient analysis tools.

KEYWORDS: Financial analysis, financial ratio, financial performance evaluation, financial decision making