

Turnitin Originality Report

Processed on: 22-Jul-2020 13:05 WIB
 ID: 1360706727
 Word Count: 5223
 Submitted: 1

Similarity Index

36%

Similarity by Source

Internet Sources: 36%
 Publications: 3%
 Student Papers: N/A

The Relevance of Intangible Assets in the Knowledge-Based Industry By B.21 Dermawan Se Dermawan Se

32% match ()

http://repository.uki.ac.id/707/1/ICABE_2018_CONF_PROCEEDINGS.pdf

2% match (Internet from 03-Jul-2019)

<https://www.emeraldinsight.com/doi/full/10.1108/14691931011064608>

1% match (Internet from 18-Apr-2020)

<https://es.scribd.com/document/403454417/1>

1% match (Internet from 28-Aug-2018)

<https://rsue.ru/nauka/docs/D2Call%20ICABE%202018.pdf>

iverste Paris Ouest [International Conference on LOYO zr' Applied Business and LA Economics Q ¼II UNICERT I:FRS \(.\).E DA CORJJA '?••;A International Conterence on Applied. \(Scopus publications in ERSJ, JAES edinci . February 23rd-24th, 2018 ..• di, Contacts: Meita, meita.icabe@borobudur. acJd 0811 Meirinaldi, meirinaldi.icabe@borobudur.ac.id 0812180 Organized jointly with: International Strategic Management Association Transilvania University of Brasov, Romania University of Latvia, Latvia West Pomeranian Technical University of Szczecin, Poland Rostov State University of Economics, Russia University of Piraeus, Greece . II1\CFSJEaS tOU\(\)IJUdU, JahartJ indoncs.4 htr://www.icabe.unbor@Borobudur.ac.id www.icabe.cir —low— Q C 1. N I C I RT nSettfrhriuecciAFetSuniEnrcAaailNenascEniCiadn:!](#)

IMFSOOTRVRAWITNAEGRGIOES 11 FEBRUARY 2230-1284 [PARK HOTEL](#) Ji. [DI Panjaitan](#) P(av [5 Cawang East Jakarta - Indonesia](#) Univ ersitas Borobudur tY Jakarta — Indonesia Important dates: Full paper submssion deadline January 30 2018 Paper up to 10 pages) Conference February. 23 24" 2018 Contacts: Meita- 0819 1214 6633 meita lcabe@borobudurac id Meirinaldi .0812 1802 1313 ResearchGate [See discussions, stats, and author profiles for this publication at: https:// wwwkv.researchligate .net/publication/ 333951578 ICABE 2018 CONF PROCEEDINGS FINAL Research• June 2019 DO 1s.13I4o/PG.2i31u4732S2 CITATIONS READS 0 92 2 authors: Eleftherios loannis Thalassinos University of Piraeus F; Simon Grima University of Malta 103 PUBLICATIONS 332 CITATIONS 86 PUBLICATIONS 106 \[CITATIONS SEE PROFILE SEE PROFILE\]\(#\) Some of the authors of this publication are also working on these related projects: , Maltese cooperation \[View project\]\(#\) e Risk Management Models and Theories \[View project\]\(#\) All content following this page was uploaded by Eteftherios loannis Thalassinos on 22 June 2019. \[The user has requested enhancement of the downloaded file.\]\(#\) Conference Proceedings Jakarta Indonesia', ICABE 2018 International Conference on Applied Business and Economics Voluin e \[of Proceeding 14th ICABE 2018 Guest Editors: Dr. Simon Grim a Associate Professor University of Malta\]\(#\) D, EleJtherios Thalassinos Professor University of Pireaus Affiliate Professor University of Malta 14th International con jERENCE \[on Applied Business and Economics Jakarta, Indonesia 2018\]\(#\) 1411 \[International Conference on Applied Business & Economics February 23r1241h 2018 Venue: Park Hotel Jl.DI. Panjaitan Kay 5 Cawang, East Jakarta Indonesia\]\(#\)"Structural and Financial Deficiencies in the](#)

ASEANEC. Strategies Moving Forward" ISSN: 2623-3525 (print) ISSN: 2623-3517 (on line) Guest Editors: Simon Grim a, Eleftherios Thalassinos Scientific Comm ittee 14zh ICABE 2018: Prof. Dr. Tulus Suryanto, Akt., CA., CMA. Universitas Islam Negeri Raden Intan Negeri Lampung, Indonesia Prof. Dr. Basir I3arthos Universitas Borobudur Jakarta, Indonesia Prof. In Bambang Bcrnanthos, MSc Universitas Borobudur Jakarta, Indonesia Prof. Dr. In Darwati Susilastuti, MM Universitas Borobudur Jakarta, Indonesia Prof. Dr. Faisal Santiago, SH, MM Universitas Borobudur Jakarta, Indonesia Prof. Dr. Ir. Rudi Bratamanggala, MM Universitas Borobudur Jakarta, Indonesia Prof. Dr. Cich Ratnasib, MM Universitas Borobudur Jakarta, Indonesia Prof. Dr. Muhammad Ilalilintar, MM Universitas Borobudur Jakarta, Indonesia Dr. Sugiharso Safuan Universitas Indonesia Prof. Dr. Wahyu Murti, SE, MM [Universitas Borobudur Jakarta, Indonesia](#) Dr. Waluyo Universitas Mercubuana Jakarta, Indonesia Dr. Mohanimad [Faisal](#) Arnir [Universitas Borobudur Jakarta, Indonesia](#) Dr. In [Edi Barnas](#), MM [Universitas Borobudur Jakarta, Indonesia](#) Dr Hamzah Universitas Larpung, [Indonesia](#) Dr. Megawali [Barthos, SH, MM Universitas Borobudur Jakarta, Indonesia](#) Dr. Pudji Astuti, MM [Universitas Borobudur Jakarta, Indonesia](#) Jakarta, [Indonesia](#) 2018 IV Dr. Yolanda, MM [Universitas Borobudur Jakarta, Indonesia](#) Dr. Ernaliya [Dewi Kartika, MBA, MIBA, MM Universitas Borobudur Jakarta, Indonesia](#) Dr. Karno, MS [Universitas Borobudur Jakarta, Indonesia](#) Dr. Ir. Sugiyanto, MM [Universitas Borobudur Jakarta, Indonesia](#) Dr. Evita Isretno Israhadi, MI-I [Universitas Borobudur Jakarta, Indonesia](#) Dr. Ninip Ilanfah, M. Ilum [Universitas Borobudur Jakarta, Indonesia](#) Dr. Meirinaldi, MM [Universitas Borobudur Jakarta, Indonesia](#) Dr, Darwati, MH [Universitas Borobudur Jakarta, Indonesia](#) Rika Lusiana Surya S. E., M.S.Ak STEBI [Lampung university](#) The Editors Dr. Simon Grima and Eleftherios Thalassinos are very thankfId to the members of the Scientific Committee for its efforts to select, to correct and edit the articles according to the guidelines of the collective volume. Remaining errors are the sole responsibility of the authors. Organizers: International Strategic Man agem emit Association [www.ism a - edu. en Universitas Borobudur Jakarta, JL Raya Kalimalang No. 1 East Jakarta www.borobudur.ac.id](#) V Table of Contents: Model of Customer Satisfaction of Catering Industiy: [Approach Through Hygiene Behavior and Food Service](#) DanialThaib

.....

[1-9 The Relevance of intangible Assets in the Knowledge-Based Industry](#) Ardana, CI., [Dermawan](#) SE., [Widjaja I.D](#)

..... [10-16 Application of information Technology on Potato Productivity](#) D. Susilastuli, Adiiia,neri, L.S. Marhaeni Mansuri, B.K. Udiarto 1 7-26 Automotive Sector Investment and Its Implications on Import Content, Gross Value Added (GA J) [and Labor Absorption in Indonesia](#) Joan ncr [Rambe, Meirinaldi](#).....[27-39 The Operational Cooperation Agreement for Regional Hospitals in the Management of Health](#) Equip, nent Silapurna, E.L. Efrila. 1-lusain, Bahtiar 40-45 [Factors that Influence the Health Levels of Saving and Loan Cooperatives \(Ksp\)/ Saving and Loan Unit](#) (Lisp) [Cooperatives in North Jakarta, Indonesia](#) PraPONCOEndro [46-60 Factors](#) Ajfrcting [The Production of Pepper and The Implications for Farmers income and Poverty Rate in Bangka](#) Be/itung [Islands](#) Hanidan, [Sidik Priadana,](#) Amnri [61-72 Legal Protection of Taxpayers and Tax Insurers in Tax Disputes](#) Arlono, H.B., Anggari, O Ha,ndan 73-79 Human Resources Development: Motivation and Job Satisfaction on East Lampung [School of Economics](#) Gunianti, IVIiswan, [Utami, S.H.](#) Bernad/:ita [80-86](#) /O. [Legal issuance in Investment Faisal Santiago, Megawati Barthos,](#) lladi [Purnomo, Sinai](#) Ilandayani 8 7-93 II. The Responsibility of Aviation Company Laws Against Giving Amount Compensation BeneJIItsjir [Air-Asia Accident Victims](#) QZ8501 TO [Indonesian citizens](#) SahunganSiharani [94-101 The Role of Perceived Organizational Support, Job](#) SatisJàction, and

Work Engagement in Post Graduate Lecturers Performance Sudibjo, N., Bernarto, I., Yuliana, Y.	102-109
The Influence of Inflation Against the National Consumption and Import in the Process of Ecollom y Bubble in Indonesia Meirinaldi, Miyv Fayz flail	110-120
The Effinis to Improve Non- Tax Slate Revenues Through the Management Revitalization of the Seized and Confiscated Goods of -the State I. Djava, Zulfikar, E. Suprayitno, H. Sujoko, F. Santiago, Meirinaldi	121-130
The Efrct of Financial Literacy and Financial Capability Toward Financial Satisfaction Through Financial Behavior Agus Zainul Ari,lin, Abdul Rahmat, Christina Catur Widavati	131-142
The Analysis of the Influence of Internal and External Factor to Net Asset Value of Sariah Balaiice Mutual Fund Rudianto, Pudji Asluty	143- / 49
Techno- entrepreneurs hip: Entrepreneurial-Orientatation of Sustainable Handic,afE Tourism in Lombok Hen gAy, S. H, Ariamia, S. Suheriyatmono	150-157
The Effect of Online Customer Perceived Justice on Post- Recoveryy Satisfaction Kussusanti Halim, Rizal Edj	158-166
Examine Brand Orientation on Brand Commitment Factor With Moderation Organization Change Readiness Toward Positive Internal Brand Equity at B2B Companies Tohing, P.R., Halim, E.R	167- 1
The Influence of Social Networks and Debt Literacy Towards Credit Card Overspending Haidar, R., Halim, E.R.	174-180
21, The Effect of Customer Value Anticipation Toward Customer Satisfiiction and Customer Loyalty in High-Contact Service Industry Ghifiiri, AN., Halim, E.R	181-187
Factors Influencing the Implementation of Marine and Fishery Accounting Database System of Coastal Regencies and Cities of North Sumatera to Support of Entrepreneurship IskandarMuda	188- 19 7
The Impact of User Interactions in Social Media on Brand Awareness and Purchase Intention Siswaningsih, N, Halim, E.R	198-204
An Analysis of Consumer'v Attitude Effect to Credibility Endo,er, Brand, and Purchase Intention Related to celebrity Endorsement Wijoyo, A.S, Halim, E.R	205-210
Analysis of Mobile Payment Acceptance in Indonesia Sayogva, PA, I-Ia/un, E.R.	211-217
Analysis u /Co-Branding Strategy Between Commercial Entities with Non-Profit Entities Fikri, Z, Halim, E.R.	218-224
VII The Ejjj'ct of Retailer Awareness, Retailer Association, Retailer Perceived Quality, and Retailer Loyalty Towards Purchase Intention Btari, RB., Halim, E.R.	225-231
The Effects of iviotivation, Authenticity, and Engagement Towards' the Visitors Loyalty of Heritage Tourism Rachma, H., Hali,n, E.R.	232-238
The Role of the Vehicle Brand Lo, vally and Repurchase Intention in Indonesia Automotive Indust3' Rizki, H., Halimn, E.R.	239-244
Export Import Per/i.rmance Related to Economic Openness of Surabaya I.M. Hendrati, N. J. Kusurnawardhani, S. Sishadiyati	245-253
Logistic Hub Mapping at PD Pasar Sutya N. Ika K. W, I. Martha H, H Pudjo F, S. Sishadiyati	254- 2 60
The EJjct of Brand c'redihiliti' Towards Consumer c Purchase Intention on Low-Cost Carrier Airline Imzdustiy Zul,fikar, R.M., Halini, E.R	

.....	261-267
The Estimation of the Distribution Model of Gross Regional Domestic Product (GRDP) of Indonesia Srinita, Darwati Susilastuti	
.....	268- 2 73
Determinant of Food Crop Agribusiness and Horticultural Crop Agribusiness in Indonesia Dudung Mulvadi, Darwati Susilastuti, Suna.....	
274-282 The Ejjecs of Marketing Mix and Quality of Service Perceived, Image and Implications on Customer Trust to Choose a Four-and Five-Star Hotel in DKI Jakarta Mulyati...	
.....	
283- 2 95 Tax Compliance in Small and Medium Enterprises (SMEs) in Indonesia Waluyo, W	
.....	296-305
Transfr Pricing as a Tool to Shift Taxable Income by Multinational Enterprises Thaib, S. W, Santiago .F, Zudan ArifFak-rulloh, I)arwati...	
.....	306-312
Threshold Regression fir Analysis the Impact of Global Liquidity on the Economies of A SEAN Countries Ekananda, M	
.....	313-325
The Efji?ct of Macroeconomics Factor.c and capital Structure on Foreign Rank Perfhrmance in Indonesia Akbar, Muhammad	
.....	32 6-332
viii 40. The EJJcCI of Organizational Conflict and Learning of Organization on Creativity of Basic School Teachers in District Duren Sawit East jakarta Linda Sri Pan gestuti, KA Evita Isrtetno.....	
333-339 4/. Song Copyright Law Protection Competence in Paying Royalty as Exclusive Rights Substance According to the Law Num her 28 of2014 About Copyright Mo/id. Jdrus Laena, Rista, Evita isretno Israhadi.....	
340-349 The Legal Concepts of Abuse of Dominant Position on Monopolistic Practices and Unfair Business competition M. Alvi Si'ahrin	
.....	
350- 35 6 Antecedent Audit Quality: Analysis of Auditor- A uditee Factors in the Perspective Theory of Regulation Rahmawati, Bandi, Payamta, Taqi, M.....	
.....	35 7-368
Market Reactions Before and After the Stock-split Policy ('Study on Go-Public Company Period 2013-2016) Pudji .4stuty, Masnilam Hasihuan	
.....	369-376
The influence of incentives and Discipline Against Motivation and its implication on Work Productivity (Case of Indonesia) Mohamniad Halilintar.....	
.....	377-383
The Influence of Competence, Communication, and Work Motivation, on Tutor Pejormance Radiansvah, Adrian., Ahmad Yani., 4frizal	
.....	384-394
How to Increase Cafe Customer Pro-Social Behavior Riorini, S. V. Yaputra, H., Widayati, C.O.	
.....	395-402
Re/a tionship Between Customer Value and Brand Image Toward Customer Satisfaction and Customer Retention on Home Appliance Industmy Denny Bern ardu, christina Whidya Utanmi, Dian Permata Wijaya.....	
403-420 The Management and Settlement of Bankruptcy Property: Case Study of Sky Camping Limited Company, Indonesia Darivati, Nurlily Darwis	
.....	421-430
The Contribution of International, Exchange Index to Composite Stock index (Case of Indonesia) Wahyu Murti, I,c'rnoerida, Zahera Mega.....	
431-438 5/. Strengthening Compelemicy of the Religious Courts as Efforts to Encourage Shari 'ah Economics Growth in Indonesia Nur D/annah Svaf Nurwatlion, Suswanti, Faisal Santiago, Zudan Arief Fakrulloh.....	
439-445 ix The Influence of Marketing Mix (8 'ps) on Purchasing Decision of Indonesia Life insurance Company Reny, A., Prasada, PB, P 446-458 The Hospital Cooperation with the Board a /Social Security Administrator (BPJS) from the Business Law Perspectives of Indonesia Siregar Adelina Rospita.....	
459-466 Determinant Customer Loyalty Model of Sharia Banking. (C'ase in Indonesia) Dhenok Darwanti, Cich	

Ratnasih.....	467-474
Determinants influencing the Intention to Use Mobile Expert System for Diagnosis of Pests and Potatoes Diseases Sunar, Setyowati,R., Nikmah, Tohing, S.L	4 75-483
Strategic Return oJS!mares: An Influence of Value and Stock Assessment Budiono, Gatut L., Mappadang, Agustina, Putri, Amyani	484-495
Brand Switching in Middle Class Muslim: The Role of Moderating Variable Variety- Seeking Buying Behavior, Perception. and Knowlledge on Halal Cosmetics Tantt Yuanita, Sampurno, Djoharsjah M.	496-505
A Study u/Possible i,nposition of PigO'back on Personal Income Tax and Payroll Tax for Provincial Government Sidik Machfid, Rianto Djoko	506-519
The Factors Affecting the Performance of Shipping Services industry and their Impact on Economic Growth in Indonesia Liii Marlinah, Amik Bsi Bekasi.....	520-530
Factors Affrcting Profitability of Food and Beverage Companies Listed in Indonesia Stock Exchange Yolanda, Sumarni	531-539
Factors Affecting Economic Growth of Tourism Sector and its Implication on Employment Opportunity and Region Own Source Revenue Afrizal, Sidik Priadana, JIamdan	540-549
Analysis of Factors Affecting Economic Growth and Its Impact on Unemployment and Poverty Rate Amri, Sidik Priadana, Hamdan.....	550-558
Duel or Duel: Monetary Stability Impact on Financial System Stability 1-lumaira, R.F., Faliantt', A.T.	559-566
The Impact of Auditor Competence and independence Towards Auditor Proftssionalism and the Implication to Audit Quality in Ministry of Agriculture Inspectorate Republic Indonesia Pandovo	567-
The Efjct of Leadership, Compelence, Compensation on Work Motivation and its Implication on Private Lecturer's Pe,ftnmance in Palembang Periansva, Ardivan Natoen, Sopiyan A. Rahnian, Indra Satriawan.....	582-594
Application of Digital Signature to Increase Investment in Indonesia Fairia Khairo, Faisal Santiago, Zudan ArifFakrulloh	5 95-603
Deierm man/s of Individual Taxpayer in Tax A mn e.c/y Decision-Making Ngadinwn, C'hristianto	604-
The impact o/ FD1 on Economic Growth with Considering Financial Sector Development, Trade Openness, and 1-Junian Capital in ASEAN-5 William Manggala Putra, Sugiharso Safiian	611-616
A Proposed Model to Increase and Stabilize Sales for Online-Based Bakery Business: A Study [ruin Makku Baked Goods Poetry, Roina 1'Jova	617-627
Exchange Rate Pass - Through and Pricing to Market: Evidence from Bilateral Trade Sugiharso Safuan, Telisa A. Falianty, Risna Triandhari.....	628-634
Understanding Capital Floii's in Developing Country: The Case of Indonesia Agus Salim and Sugiharso Sajiw	635-641
Monetary Pu/ky and Exchange Rate Overshooting: Observation on .4 SEA N -5 linam Prakoso, Sugiharso Sajuan	642- 64 9
Employment and Poverty in Lamnpung Province: A Macroeconomic Approach Yudhinauio Cahyo Nugroho, Heru Sub/pa ntoro, M. Sidik Priadana.....	650-660
The Model Which Determines Job Satisfaction (Case on Company Employees in Indonesia) Suherman Saji, Cich Ratnasih	661-
The Survey of Household Empowerment and Small-scale Households in Southeast Sulawesi through Rural Banks (BPR) in Mobilizing Rural Economy Tungga Buana Irfana, lie/mi Adam, M. Asrian Mirza	

..... 667-6 77 [The Impact of Risk Judgment of Economic Policy and Financial Aspects Regarding the Lif u /the ASEAN Community Area Andaningsih Ratih IGP, Kurniati Arni, Massora Agustina.....678-686](#) Per/irmance [Effectiveness Measurement of Village Funding Management Uving Fuzzy inference System \(FIS\) Method Bahrullah Akhar, Harry Azhar Azi:, Achmad Dja;uli, Muhammad Kowi, Firdaus](#)

Amya.....
68 7-695 [Juridical Review on the Leasing Agreement Due to Webpresty Carried Out by Lessee in Pt. Naga Mas Bangun Reality.xi Suparno, Astrid Laena Pu/ri, Ike Setianingrum, Andi Oloan Siharani 696-709](#) 79.

Dumping in Ac! No. 5 Years 1999 on the Prohibition of Monopolies and Competition [Practices Are Unhealthy Businesses Syaparuddin, Imam Karvono, Polter Gultom, Suryono 710-714](#) [Conference Proceedings Jakarta Indonesia, JC'ABE 2018 pP. 10- 16](#) [The Relevance of Intangible Assets in the Knowledge-Based Industry](#) Aruana, L .I., vermawan

wijaja I.v.) Abstract: The abundance of intangible assets that are not recognized as assets and on/v/all under the tAIett.'. cuieguly UCU01di1tV II) inc e..tisiing /snuucwi uLcuurtiirgl siunu'aru'. (the e.isiin FAS) and the impact of such practices, justify this research and further developments. Many stakeholders are not satisfied by this accounting treatment. They require the expenditure fbi' intangible assets to he treated as investmentx (assets), and not as expenses. The purpose of this study is to assess the effrcliveness of the existing FAS, and then try to fit U VU (4tt Uilf 11t4U ye reiee tSUIAtJLeL I J1J1 uit,iea Ut CtlttUtl UIX LtLC Lt ee U) I CtC 4(AIt(.0 (1/ financial statements relating to intangible assets. The modified FAS tries to accommodate the expectations of stakeholders using such information. This is a case study research using secondary data from two companies listed with the Indonesia Stock Exchange during the 2014-2016 time frame. By comparing two Cf..L.:U..I.S....).I'i'J1J..t.It.U...i.I.L...LJtt4') (4ttUJIU.:U_U.) UI...).t.I.I.tue eA.t.,.)L:.t.tt_1Ti'l-.4)(UIL_U..JMI.C iuuutjieu J cI)J, U LUIL he concluded that ('a) total assets and operating profits using the inodUIed FAS are higher than those in the existing FAS; (h) profitability ratios (OPM, ROA, ROE), and leverage ratios (DTA, DER) in the inodifled FAS are better and healthier, hut asset turnovers (4 TO) are lower than those in the existing FAS. The higher the variation of the financialfigures or ratios hehi'een the two vel'SiOfIS of F.4S, the lower the relevance of the financial statements. The relevance of' the statements will improve if the authorized body accommodates the expectation of the users of financial statements. *,) Accounting Department, Tarumnanagara Univeiity, Jakarta, Indonesia e-mail: iceiik aI'dalia(c43'a/IOO.

coin 1. Introduction The value of corporations in todays global economic system and in the coming years will be characterized by an increasing role of investment under the form of intellectual capital/IC (Smalt and McComb 11, 2016:1; Zeghal and Maaloul, 2011:262). Another term often used for the IC is "knowledge capital" but from an Ardana, CI., Der,nawan S.E., Widjaja I.D. /1 accounting perspective, the term intangible assets is more popular to describe this kind of assets (Ancuta, Moisescu, and Varlanuta, 20 17:32). As said by Vetrenko, Mordovets, and Yaluner (2017:605), the main tool for the IC development is an "intelligent enterprise", which is described by a permanent education process. The interesting question is why accountants cannot wiii not) recognize most of the value of this intellectual capital in the corporate balance, whereas the contribution of intellectual capital has an increasingly important role in determining the value of a corporation. Aiming to answer this question, this study will attempt to examine the different views on intellectual capital from two perspectives: users of financial staiments (business people, economists, investors), and presenters of financial statements (accountants), and try to provide an alternative view aligning these two different perspectives. To clarify this issue, this research presents two versions of selected financial figures and ratios, using the existing FAS and the modified one, from two public companies listed with the Indonesia Stock Exchange in of 20 14- LU 10. 2. Literature Review Damodaran (2009:3) saw inconsistent accounting treatment of the expenditures iulailiig LU dhe 4L4U!MLIU1! Ui L1i1VIC 4SSCLS WILII IiiLaiigil)IC dNbVLN, IJILIU!411Y Iii distinguishing two types of expenditures - whether an expenditure is called capital expenditure or

operating expense. The simple basic principle or rule used by the accountant to distinguish these two types of expenditure is to look at the economic benefits of the expenditure. If the impact of the benefit is longer than one year, it will be recognized as an operating expense. This rule applies consistently to tangible fixed assets (land, buildings, equipment, vehicles), but not to intangible assets. Most expenditures related to intangible assets are recorded as operating expenses, even though they have an economic impact for more than one year. Koch et al (2000:6) suggested that intangible assets play an increasingly important role in the creation of corporate value; however, using a traditional accounting mechanism in recognizing assets is no longer sufficient in the knowledge-based economy. Salamudin et al (2010:391) [reveals that the book value of net assets](#) (f\TM A k'-' TAJfl/ 1l flS)%iLI t%.JhthLtiL4fl ASH 1V1U114J0•%th& .JS e,- V ttAttLAtl¼Jtfl 1L-.FtAtt h,ttkIO I',LtS.4 ; '0 [declining as greater interest has now been](#) directed towards [employing intangible assets and earnings as important variables](#) and [the results indicate that there is a positive trend for intangible assets development in Malaysia](#). This is [consistent with those of advanced markets such as the US, Europe and Australia](#), but [the Malaysian](#) contribution of their study [provides empirical evidence that intangible assets or intellectual assets are strategic assets that require attention in line with development of the knowledge-based economy](#). The Relevance of [Intangible Assets](#) in the Knowledge-Based Industry 12 According to the IAS no 38 on intangible assets (Mirza and Holt, 2011: 393), any resource usage or expenditure, especially from internally generated programs, can be recognized as intangible assets (or to be capitalized) only if it generates a certain impact for the company's future benefits, but if its impact for the company's future benefits is still uncertain, it must be treated as expenses. By applying this strict rule, most expenditure relating to internally generated intangible assets will be recorded as expenses, and not as assets. Consequently, both profit figures in profits and losses summary and asset value in balance sheets are understated. Expenditures for research and development, customer related activities, promotion, product and IT development, human resource training and similar, are still treated as expenses by accountants, based on the fact that all these kinds of expenditure are still uncertain. Meanwhile, most users of the financial statements consider that all these kinds of expenditure are clearly meant for the future growth of a company and, consequently, they must be treated as assets. Currently, there is a trend, according to which, more and more researchers and users of financial statements demand that existing FAS to be modified. As mentioned by Damodaran (2009:2), accountants routinely miscategorize operating and capital expenses when firms invest in intangible assets. Accountants treat fixed assets and intangible assets differently. In fixed assets, any expenditure that generates economic impact for longer than one year is capitalized as asset, but in case of intangible assets, most of the expenditure that qualifies as capital expenditure is still to be treated as expense. The inequality in accounting treatment between fixed assets and intangible assets may obscure the consistency of account presentation in financial statements. Hypothesis Criticism of the weakness in the presentation of financial statements from a semantic perspective has been widely approached in accounting theory books. While this is not responsibly treated by the authorized body (IAT/IASB), the public is increasingly questioning the figures in the financial statements. If the financial accounting standard only focuses on the syntactic order alone, then, this could have an impact on losing public confidence in the accounting profession, and, in turn, on eroding the relevance of the statements for decision making. Research Methodology This research uses a case study method. Two knowledge-based public companies selected as research subjects are PT GIAA and PT INDF. The financial statements of both companies were used as objects of study. There are two variables in this case study model: first, the relevance of financial statements, and second, the existing FAS, which is guided by the International Accounting Standard (IAS) No. 38 on intangible assets. Data collection for the case study in this research has been based on observation and documentation. Ardana, C.!, Derinawan LE., Wid/aja I.D. /3

5. Result and Discussion In order to increase the relevance of the statements, in the respect of improving the semantic order of the statements, this research tries to propose a modified FAS by accomodating most (if not all) views of users relating to intangible assets. Under this modified FAS, the "certainty" criteria is to be softened. The reason is that it is impossible to predict with a high degree of certainty during an early stage, the future benefit of any expenditure of internally generated intangible assets. Although they are uncertain, all these kinds of expenditure will clearly influence the future growth of a company. For this very reason, any kind of expenditure of intangible assets can be capitalized first. In fact, the modified AS is identical to the accounting treatment of goodwill where no amortization is recognized, and periodically it is subject to an impairment test. When the result of the impairment test is significant, it is then recognized as a loss of impairment. Using 1-1 (iIAA and I-i IINV1- during 2014-2010 time interval as a case study, some financial figures and ratios under the two versions of FAS (the existing, and the modified FAS) can be summarized in Table I and Table 2. Table 1. Comparative accounts using the existing FAS and the alternative (modified P/I\). (114- z'tiit) Description PT GIAA (in USD) PT INDF (in Rp.900.000,-)

	The existing FAS (PSAK 19)	The modified FAS (PStk ii)	The existing FAS	The modified FAS
Operating Income (2014)	395.228.121	(328.879.517)	7.319.620	8.755.741
Intangible Assets (2014)	6.017.329	72.365.933	2.761.473	4.197.594
Total Assets (2014)	3.113.079.315	3.179.427.919	86.077.251	87.513.372
Total Equity (2014)	879.467.591	945.816.195	40.274.198	41.710.319
Operating Income (2015)	168.745.441	274.865.050	7.362.895	10.349.064
Intangible Assets (2015)	4.992.892	137.792.000	2.329.997	7.044.901
Total Assets (2015)	3.737.569.390	3.870.368.498	82.174.515	86.889.419
Total Equity (2015)	1.009.897.219	1.142.696.327	43.941.423	48.656.327

(2016) Source: Financial statements as reported with the Indonesia Stock Exchange. By reclassifying promotional expenses, professional services and training expenses of PT GIAA amounting to USD. 26.679.499 in 2016, USD. 39.771.005 in 2015, and USD. 66.348.604 in 2014 as accumulated addition in intangible assets, and reclassifying advertising and promotional expenses and expert services of PT TNDP totaling Rp.1.728.735, - in 2016, Rp.1.550.048, - in 2015 and Rp.1.436.121 in 2014 as accumulated addition in intangible assets will significantly change the operating income, intangible assets, total assets, and total equity of both companies. Some key ratios affected by the modified FAS are: Operating Profit Margin (OPM), Return on Assets (ROA), Return on Equity (ROE), Debt to Asset Ratio (DTA), Debt to Equity Ratio (DER), and Asset Turn Over (ATO). Table 2 below shows the changes in those ratios. Table 2. Changes in Financial Ratios 2014 through 2016

	The Existing 2015	The modified FAS (PSAK 19/11AS 38)	dFAS FAS (PSAK 19/LAS 38)	PTGIAA OPM	2,56%	ROA	2,65%	ROE	9,81%	DTA	72,98%	DER	270,0/	ATO	1	103,3%	PTTNDP OPM	12,41%	ROA	10,08%	ROE	18,85%	DTA	46,53%	DER	87,01%	6,00%	5,99%	20,29%	70,48%	238,70%	99,83%	19,48%	14,96%	26,71%	44,00%	78,58%	4,42%	5,10%	17,75%	71,28%	248,2%	115,3%	11,49%	8,02%	17,07%	53,04%	112,96%	7,2%	8,05%	26,01%	69,06%	223,24%	111,67%	16,15%	10,91%	22,45%	51,37%	105,64%	-10,05%	-10,58%	-44,94%	71,75%	254,0%	126,4%	11,51%	8,5%	18,17%	53,21%	113,72%	-8,36%	-10,34%	-34,77%	70,25%	236,2%	123,7%	13,77%	10,001yo	20,99%	52,34%	105,81
2014	The Existing	modified FAS	dFAS	(PSAK 19/11AS 38)	ATO	81,23%	76,82%	69,76%	67,56%	73,88%	1	72,67%	Source: Financial statements as reported with the Indonesia Stock Exchange. With modified FAS, the profitability ratios (OPM, ROA, ROE), and the leverage ratios (DTA, DER) are better and healthier, but the asset turnover (ATO) is lower than those in the existing FAS. Most variations in financial figures and ratios between the two versions of FAS are significant. The wider the variation of the Ardana, CI., Derinawan S.E., Widjaja I.D. 15 financial figures or ratios between the two versions of FAS, the lower the relevance of the financial statements. The relevance of the statements will continue to be																																																																				

questioned if the authorized body does not accommodate the needs of the users of financial statements. 6. Conclusion The existing FAS (IAS 38), relating to intangible assets, applies a strict rule to capitalize any resource usage or expenditure, especially from internally generated activities. The expenditure can be capitalized only if it generates a certain impact for the company's future benefits, but if the impact for the company's future benefits is still uncertain, it must be treated as expense. By applying this strict rule, then most expenditure relating to internally generated intangible assets will be recorded as expenses, and not as assets. Consequently, both profit figures in profits and losses summary and asset value in balance sheet are understated. This research proposes a modified FAS aimed at increasing the relevance of the statements, in the respect of improving the semantic order of the statements. Within the analysis of financial statements of the two knowledge-based public companies listed with BET during the 2014-2016 time interval, the profitability ratios (OPM, ROA, ROE), and the leverage ratios (DTA, DER) in modified FAS are better and healthier, but the asset turnovers (ATO) are lower than those in an existing FAS. The constraint of this study is that the published financial statements do not display detailed expenditure, so that the analysis in this study is limited to the information disclosed in the notes to the financial statements. References: Ancuta, A.G., F.Moisescu, and F.Varlanuta, 2017, 'Study Regarding the Financial Reporting of Intangible Assets', Case of Romanian Pharmaceutical Industry, *European Journal of Sustainable Development* (2017), 6, 1, pp.3141. Darnodaran, A, 2009, 'Valuing companies with intangible assets, Stern School of Business', adamodar@stern.nyu.edu. Koch, G.R., K-H. Leitner, M. Bornemann, 2000, 'Measuring and Reporting Intangible Assets and Results in a European Contract Research Organization'. Paper prepared for the Joint German-OECD Conference Benchmarking Industry-Science Relationships, October 16 - 17, 2000, Berlin, Germany. www.ai-cs.ac.at/public/fulltext/wissensbilanz. Mirza, A. A. and G.J.Holt, 2011, 'Practical Implementation Guide and Workbook for IFRS'. New Jersey: John Wiley & Son, Inc. Salamudin, N, R Bakar. MK Ibrahirn, and FH 1-Iassan, 2010, 'Intangible Assets Valuation in th Malaysian Capital Market', *Journal of Intellectual Capital* Vol. 11 no.3 pp.391-405. Smalt, S.W. and J.M. McComb II, 2016, Accounting for Internally Generated Intangible Assets, *International Journal of Accounting and Taxation*, June The Relevance of Intangible Assets in the Knowledge-Based Industry 16 2016, Vol. 4, No. 1, pp.1-15. Vetrenko, P.P., V.A. Mordovets, and E.V.Yaluner, 2017, Development of Intellectual Capital in Russian Economy to Ensure the Economic Security of a Corporation, *European Research Studies Journal*, Volume 20, Issue 4A, 2017. pp. 604-618. Zeghal, D. and A. Maaloul, 2011, The accounting treatment of intangibles - A critical review of the literature, *Accounting Forum* 35 (2011), pp.262– 274, journal home page: www.elsevier.com/locate/acfor. [14th International Conference on Applied Business and Economics](#) Guest Editors: Simon Gri,na, Elefizerios Thalassinios [14th International Confrence on Applied Business and Economics Jakarta, Indonesia 2018](#) Guest Editors: Simon Gri,na, Elefihierios Thalassinios [14th International conference on Applied Business and Economics Jakarta, Indonesia 2018](#) Guest Editors: Simon Grima, Elefihierios Thalassinios [14th International coizJrence on Applied Business and Economics Jakarta, Indonesia 2018](#) Guest Editors. Simon Grima, Eleftherios Thalassi;ios