

THE EFFECT OF ECONOMIC CRISIS IN UNITED STATES TOWARDS THE PROPERTY SECTOR COMPANIES LISTED IN THE INDONESIA STOCK EXCHANGE: A FINANCIAL STATEMENT ANALYSIS

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Abstract

The economic crisis on America has affecting the world's economy and the companies operated in various part of the world. Indonesia as part of the world economy also received the end-result of the crisis. However, how far the economic effecting Indonesia and the company's operated in the country. Property industry is one of the industry sector listed in Indonesian Stock Exchange that represents the growth of property development of the country. The research is trying to look on the effect of economic crisis on America towards the Construction Companies listed in the Indonesian Stock Exchange based on Financial Statement Analysis. The results indicated that there is no significant difference in terms of financial ratios of PT. Jaya Konstruksi, PT. Wijaya Karya, PT. PP, PT. Surya Inter Nusantara, and PT. Total BP pre and post economic crisis in United States of America. However, analysis on PT. Adhi Karya resulted in significant difference of financial ratios in terms of liquidity ($\rho_{CR} = 0.02$) and profitability ratios ($\rho_{ROA} = 0.02$; $\rho_{ROE} = 0.01$) pre and post economic crisis in United States of America.

Keywords: Economic Crisis, Financial Ratio, Financial Statement Analysis, Construction Sector, Property, Indonesian Stock Exchange

Introduction

Indonesia is a developing country in the Asia continent that had its ups-and-downs in terms of economy. The economy that said to have flustered in the New Order regime has its downside as it suffered economic crisis in 1997 that impacted the Asia region and other countries around the world (Al-Makawi & Pillai, 2013; Verschoor and Muller, 2007). In order to resolve the impact of the

crisis on 1997, International Monetary Fund (IMF) was asks by the government to help them to cure the Indonesia economy and so the IMF was helping Indonesia with loan funds. However, the help given doesn't cure Indonesia even years afterwards.

The country has its regime change nevertheless on 2008 the world has suffered another crisis that impacted many countries. Another economic crisis turned the world around. The financial crisis in mid-2007 on the subprime mortgage lending in the United States has sobering chain-effect all over the world. In early October 2008, the crisis spread and lead to a wider financial crisis include capital markets and banking (Bancel & Mitto, 2011; Majid and Kassim, 2009). Although, the U.S. government has provided bailout funds amounting to 700 billion dollar, the bailout is apparently not considered sufficient by the business world, so the prices of shares on the New Stock Exchange continued to fall. On October 6, 2008, the Dow Jones stock index fell to under 10,000 and a domino effect to the entire world. Stock price index in the financial world follow the same rhythm that occurs in the U.S. Many countries in Europe face financial difficulties and further financial distress, Spain, Italy, German, and more strikingly Greece that can be considered bankrupt since they are low in debt because of the crisis (Baber, 2013; Dimitriou and Simos, 2013). These circumstances let people to be discourage at the time and question if there's any company in any country's is saved from these economy catastrophe.

The financial performance of the company can be seen through its financial statements aspects (Moeier et al., 2013; Alanazi et al., 2011). The health of the company also can be transcribes in the statements. It provides evidence, transparencies, and diagnosis of financial measurements (Hofmann & Lampe, 2013). Stock exchange is a way to see the way the economy of the country goes and a tool for measuring financial performance property sectors (Liang et al., 2014; Pallis and Pallis, 2014). Any country that is on development needs a good development and valuing its property sector (Reddy et al., 2014; Ohman, 2013). Indonesian stock exchange has several companies that represent the property sectors, specifically in the Building Construction sub sector. And some of the

companies are represented in the study, they are PT. Adhi Karya, PT. Jaya Konstruksi, and PT. Wijaya Karya, also PT. PP, PT. Surya Intra Nusantara and PT. Total BP. Each are established companies that has recorded its performance through its financial ratios. Financial ratios can be used to see the condition of the company. Through the ratios, analysis can be made on its solvency, liquidity, activity, and profitability, furthermore its market value.

Based on the description above, economic crisis on America does have an effect on the world economy and the company operated in various part of the world. Indonesia as part of the world economy also received the end-result of the crisis. However, how far the economic effecting Indonesia and the company's operated in the country. Property industry is therefore up for the test in relation that the company listed in Indonesian Stock Exchange represents the growth of construction development of the country. Therefore, the research try to look on the effect of economic crisis on America towards the Property Companies listed in the Indonesian Stock Exchange based on Financial Statement Analysis.

Statement of the Problem

Based on the description above, answers are needed to solicit the following research questions:

1. Is there any difference between financial ratios of PT. Wijaya Karya (WIK) pre (2006-2008) and post (2009-2011) the economic crisis in the United States of America?
2. Is there any difference between financial ratios of PT. Jaya Konstruksi (JKON) pre (2006-2008) and post (2009-2011) the economic crisis in the United States of America?
3. Is there any difference between financial ratios of PT. Adhi Karya (ADHI) pre (2006-2008) and post (2009-2011) the economic crisis in the United States of America?

4. Is there any difference between financial ratios of PT. PP (PTPP) pre (2006-2008) and post (2009-2011) the economic crisis in the United States of America?
5. Is there any difference between financial ratios of PT. Surya Inter Nusantara (SSIA) pre (2006-2008) and post (2009-2011) the economic crisis in the United States of America?
6. Is there any difference between financial ratios of PT. Total BP (TOTL) pre (2006-2008) and post (2009-2011) the economic crisis in the United States of America?

Hypothesis

In answering the above research question, the following hypotheses are made:

- Ha 1: There is a significant difference between financial ratios of PT. Wijaya Karya (WIKA) pre (2006-2008) and post (2009-2011) the economic crisis in the United States of America.
- Ha 2: Is there any difference between financial ratios of PT. Jaya Konstruksi (JKON) pre (2006-2008) and post (2009-2011) the economic crisis in the United States of America.
- Ha 3: There is a significant difference between financial ratios of PT. Adhi Karya (ADHI) pre (2006-2008) and post (2009-2011) the economic crisis in the United States of America.
- Ha 4: There is a significant difference between financial ratios of PT. PP (PTPP) pre (2006-2008) and post (2009-2011) the economic crisis in the United States of America.
- Ha 5: There is a significant difference between financial ratios of PT. Surya Inter Nusantara (SSIA) pre (2006-2008) and post (2009-2011) the economic crisis in the United States of America.

Ha 6: There is a significant difference between financial ratios of PT. Total BP (TOTL) pre (2006-2008) and post (2009-2011) the economic crisis in the United States of America.

Review of Related Literature

Economic Crisis

The changes economic policies could impact to economic crisis. Therefore the concept of economic policy is should be turn to worldwide economic environments. If you are failing to search this requirement, you are going the door of economic and financial crisis (Scott, 2006; Moon et al., 2011; Changyong et al., 2012)

The financial crisis is often the case in many parts of the world that led experts to try to determine the cause, the general pattern are expected to develop a method to detect the financial crisis (Changyong et al, 2012). Radelet and Sachs in Imansyah (2009) give 5 causes of the financial crisis, they are: inconsistent economic policies, the panic in the money market, the outbreak of the financial bubble, the absence of standard rules and moral hazard. Nevertheless, the financial crisis may occur not only from one single cause of these factors, but it could be a combination of various factors which work in synergy. In terms of theory, analysis of the financial crisis can be divided into four parts: the first generation theory of the financial crisis, the second generation and third generation and beyond systems theory generation (Dragun, 2012; Chowdhury et al, 2013).

The financial crisis in the Asian region on 1997 has its climax in 1998. This situation was started when investor turn their money from certain country (Verschoor & Muller, 2007). It was started in Thailand, and it got the exchange rate between Baht and dollar to be depreciated in large sum of amount. Not long, it affected Indonesia (Scott, 2006).

Financial Ratios

Financial statement can be used to see the condition of a company. In the financial statement analysis, financial ratio is used to describe various aspect of a company's condition. Investor can also use financial ratio analysis to predict the stock price fluctuation. There are many different financial ratios that can be used to analyze a company's performance (Hofmann & Lampe, 2013; Liu et al., 2013; Ahrendsen & Katchova, 2012). Nevertheless, though each ratio has their own interpretation, the focus of this study is on the following financial ratios, namely: current ratio (CR), debt to asset ratio(DTA), debt to equity ratio (DTE), return on asset (ROA), return on equity (ROE), earning per share (EPS), and net profit margin (NPM). Some scholars (Byard and Cabenoyan, 2007; Stent et al, 2010; Katchova and Enlow, 2013) describe that financial performance of a company to have significant meaning in deciding whether to invest and look on the overall condition of the company and its management.

Current Ratio is a financial ratio that can be used to see or analyze the liquidity position of the company. Current ratio shows the ability of the company to pay its due on its short time obligation. Current assets normally include cash, marketable securities, accounts receivable, and inventories. Current liabilities consist of accounts payable, short-term notes payable, current maturities of long-term debt, accrued taxes and other accrued expenses. The analysis on current ratio is in order to see the how liquid the company is to meet its short term obligation and also known as part of the liquidity ratio (Varotto, 2011).

Net profit margin is a ratio used to demonstrate the company's ability to generate net profits. This ratio is very important for the operations manager for sales reflect pricing strategies applied by the company and its ability to control operating expenses. According to Habib et a., (2013), Lahdenpera and Koppinen (2009), the greater the net profit margin means the more efficient the company is in removing the costs in connection with its operations. It measures how much out of every dollar of sales a company actually keeps in earnings. Tan and Floros, (2012; Yazdanfar (2013); and Keramidou et al., (2013) see that profitability shows the ability of a company to gain profit through its resources. Profitability

ratio that can used to describe it are return on equity (ROE) and return on assets (ROA).

ROE is return on equity that result or the amount declared as a parameter and obtained the investment in the ordinary shares of the company for a certain period of time (Li et al., 2013). Return on equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested. It measures a firm's efficiency at generating profits from every unit of shareholders' equity. Return on equity shows how well a company uses investment funds to generate earnings growth. On the other hand, as for return on asset, according to Isbert & Pitta (2013); Lahdenpera & Koppinen (2009), return on assets determine profit sharing in the form of dividend which can be used to reinvest to the company or other means. Return on asset is an indicator of how profitable a company is relative to its total assets. Return on asset gives an idea as to how efficient management is at using its assets to generate earnings. Return on asset is calculated by dividing a company's annual earnings by its total assets, and is displayed as a percentage. Sometimes this is referred to as return on investment (Bosch-Badia, 2010).

Solvency ratio or Leverage ratio is an analysis used to see how much the company is financed by debt or it other perspective is how the company's managed its debt (Kellermann & Schlag, 2013). Debt to equity is a measure of a company's financial leverage calculated by dividing its total liabilities by stockholders' equity (Ahrendsen & Katchoba, 2012). It indicates what proportion of equity and debt the company is using to finance its assets. Debt to equity ratio shows the solvency position of the company. Another ratios in the leverage ratio is debt to asset ratio. Al-Makawi & Pillai (2013) describes that debt to total assets ratio (DAR) is used to measure the amount of total assets financed by debt. This means that the higher the ratio the greater the amount of capital loans used for investment in assets in order to generate profits for the company. The ratio is calculated by adding short-term and long-term debt and then dividing by the company's total assets, and is displayed as percentage.

Earning-per-share is one ratio that can be used as a way for a company or an investor looking at the growth of the company. Ross et al (2010:55) in their book describe Earning Per Share can be measured by market price per share of the stock. Ross et al added that in their calculation, the Earning Per Share measurement “can only be calculated directly for publicly traded companies” (2010:55). However, Ho and Wu (2006) suggest that benchmarking analysis in the same industry is wisdom for analyzing the financial statements. It shows comparison in measuring information system among industry.

Method of Research

The method of the study is descriptive. The variable used on the study is financial ratios of the company listed in Construction sector in the Indonesian Stock Exchange. The samples for the study are PT. Wijaya Karya (WIKA), PT. Jaya Konstruksi (JKON), and PT. Adhi Karya (ADHI), also PT. PP (PTPP), PT. Surya Inter Nusantara (SSIA), and PT. Total Bangun Persada (TOTL) of the Property companies listed in the Indonesian Stock Exchange, specifically the Building Construction sub-sector. The data for the study is acquired from the Indonesian Stock Exchange of the financial statement data from 2006-2011 of the said companies. The statistical treatment for the data is using *pair sample t-test* with significant value of 5%. Statistical software is utilized for the study called SPSS.

Result of the Study

PT. Wijaya Karya

PT. Wijaya Karya (WIKA) is a company listed in Indonesia Stock Exchange. The company is listed as business of providing construction services. PT. Wijaya Karya shows their financial condition in through their financial ratios. The following table 1, however, is on the difference of the financial ratios pre and post the economic crisis in the United States of America. The financial ratios analysis pre and post the economic crisis is as follows.

In terms of profitability, financial ratios pre and post crisis seems to show that there are no significant difference in return on equity ($\rho = 0.97$) and return on asset ($\rho = 0.34$). Thus, hypothesis is rejected. On the difference based on liquidity ratio, there is no significant difference ($\rho = 0.56$) of liquidity ratio pre and post economic crisis in America, therefore, H_0 is accepted. On the difference based on solvency or leverage ratios, there are no significant difference in terms of debt to equity ($\rho = 0.45$) and debt to asset ($\rho = 0.49$), thus, H_0 is accepted. And in terms

Table 1
Pre-Post Financial Ratios Difference
PT. Wijaya Karya

Ratios	Std. Deviation	Std. Error Mean	Lower	Upper	T	Df	Sig. (2-tailed)
ROE	9.71	5.61	-24.35	23.91	-0.04	2	0.97
ROA	0.82	0.47	-2.61	1.44	-1.24	2	0.34
CR	30.57	17.65	-63.71	88.17	0.69	2	0.56
EPS	772.10	445.77	-1491.75	2344.24	0.96	2	0.44
DTE	167.05	96.45	-324.99	504.96	0.93	2	0.45
DTA	7.16	4.13	-14.32	21.25	0.84	2	0.49

of earning per share, there is no significant difference of earning per share pre and post economic crisis in United States of America ($\rho = 0.44$), and thus H_0 is accepted. The result shows that the economic crisis doesn't have an effect on PT. Wijaya Karya in terms of financial ratios of liquidity, profitability, solvency and earning per share.

PT. Jaya Konstruksi (JKON)

PT. Jaya Konstruksi (JKON) is a company listed in Indonesia Stock Exchange. The company is listed as business of providing construction services. PT. Jaya Konstruksi shows their financial condition in through their financial ratios. The following table 2, however, is on the difference of the financial ratios pre and post the economic crisis in the United States of America.

In terms of liquidity (table 2), PT. JKON financial ratios pre and post crisis seems to show that there is no significant difference ($\rho = 0.33$). Thus, hypothesis is rejected in terms of liquidity ratios. On the difference based on profitability ratios, there are no significant difference in terms of return on asset ($\rho = 0.14$) and return on equity ($\rho = 0.41$) of financial ratios pre and post economic crisis in America, therefore, H_0 is accepted. On the difference based on solvency or leverage ratios, there are no significant difference in terms of debt to equity ($\rho = 0.51$) and debt to asset ($\rho = 0.64$), thus, H_0 is accepted. And in terms of earning per share, there is no significant difference of earning per share pre and post economic crisis in United States of America ($\rho = 0.42$), and thus H_0 is accepted.

Table 2
Pre-Post Economic Crisis Financial Ratios Difference
PT. Jaya Konstruksi

Ratios	Std. Deviation	Std. Error Mean	Lower	Upper	T	df	Sig. (2-tailed)
EPS	802.45	463.30	-1521.83	2464.98	1.02	2	0.42
DTE	2.42	1.40	-4.88	7.14	0.81	2	0.51
DTA	0.16	0.09	-0.34	0.44	0.55	2	0.64
ROA	0.01	0.01	-0.02	0.05	2.41	2	0.14
ROE	0.25	0.15	-0.48	0.78	1.04	2	0.41
CR	0.14	0.08	-0.24	0.44	1.28	2	0.33

PT. Adhi Karya (ADHI)

PT. Adhi Karya (ADHI) is a company listed in Indonesia Stock Exchange. The company is listed as business of providing construction services. PT. Adhi Karya shows their financial condition in through their financial ratios , the following table 3, however, is on the difference of the financial ratios pre and post the economic crisis in the United States of America.

Table 3
Pre-Post Financial Ratios Difference
PT. Adhi Karya (ADHI)

Ratio	Std. Deviation	Std. Error Mean	Lower	Upper	T	Df	Sig. (2-tailed)
EPS	17.70	10.22	-39.31	48.65	0.46	2	0.69
DTE	113.59	65.58	-152.60	411.73	1.98	2	0.19
ROA	6.62	3.82	10.00	42.88	6.92	2	0.02
ROE	0.49	0.28	1.39	3.81	9.24	2	0.01
CR	1.74	1.01	113.58	122.24	117.21	2	0.00

In terms of Earning Per Share (see table 3), PT. Adhi Karya earning per share ratio shows that pre and post crisis seems to show that there is no significant difference ($\rho = 0.69$). Thus, hypothesis is rejected in terms of earning per share. On the difference based on solvency ratio, there are no significant difference in terms of debt to equity ($\rho = 0.19$) of financial ratios pre and post economic crisis in America, therefore, H_0 is accepted. On the difference based on profitability ratios, there are significant difference in terms of return on asset ($\rho = 0.02$) and return on equity ($\rho = 0.01$), thus, H_a is accepted. And in terms of liquidity ratio, there is significant difference of liquidity ratio pre and post economic crisis in United States of America ($\rho = 0.00$), and thus H_a is accepted (the economic crisis does have an effect on PT. Adhi Karya).

PT. PP (PTPP)

PT. PP (PTPP) is a company listed in Indonesia Stock Exchange. The company is listed as business of providing construction services. PT. PP shows their financial condition in through their financial ratios , the following table 4 shows the difference of the financial ratios pre and post the economic crisis in the United States of America.

The financial ratios analysis pre and post the economic crisis is (see table 4). In terms of liquidity, PT. PP financial ratios pre and post crisis seems to show that there is no significant difference ($\rho = 0.33$). Thus, hypothesis is rejected in

Table 4
Pre-Post Financial Ratios Difference
PT. PP (PTPP)

Ratio	Std. Deviation	Std. Error Mean	Lower	Upper	T	Df	Sig. (2-tailed)
EPS	49.51767	28.58904	171.009	75.00872	1.67896	2	0.235
DTE	49.40567	28.52438	-130.23	115.2305	0.26293	2	0.817
DTA	6.431433	3.71319	15.6432	16.3099	0.08977	2	0.937
ROE	13.20202	7.62219	44.4623	21.12897	1.53062	2	0.266
ROA	5.000333	2.886944	16.5882	8.25485	1.44328	2	0.286
CR	24.14546	13.94039	88.8473	31.11399	2.07072	2	0.174

terms of liquidity ratios. On the difference based on profitability ratios, there are no significant difference in terms of return on asset ($\rho = 0.14$) and return on equity ($\rho = 0.41$) of financial ratios pre and post economic crisis in America, therefore, H_0 is accepted. On the difference based on solvency or leverage ratios, there are no significant difference in terms of debt to equity ($\rho = 0.51$) and debt to asset ($\rho = 0.64$), thus, H_0 is accepted. And in terms of earning per share, there is no significant difference of earning per share pre and post economic crisis in United States of America ($\rho = 0.42$), and thus H_0 is accepted.

PT. Surya Inter Nusa (SSIA)

PT. Surya Inter Nusa (SSIA) is a company listed in Indonesia Stock Exchange. The company is listed as business of providing construction services. PT. SSIA shows their financial condition in through their financial ratios, the following table 5 shows the difference of the financial ratios pre and post the economic crisis in the United States of America.

Table 5
Pre-Post Financial Ratios Difference
PT. Surya Intern Nusa (SSIA)

Ratio	Std. Deviation	Std. Error Mean	Lower	Upper	T	Df	Sig. (2-tailed)
EPS	49.52	28.59	-75.01	171.01	1.68	2	0.235
DTE	49.41	28.52	-115.23	130.23	0.26	2	0.817
DTA	6.43	3.71	-16.31	15.64	-0.09	2	0.937
ROA	5.00	2.89	-8.25	16.59	1.44	2	0.266
ROE	13.20	7.62	-21.13	44.46	1.53	2	0.286
CR	24.15	13.94	-31.11	88.85	2.07	2	0.174

Based on the table above, the financial ratios analysis pre and post the economic crisis is as follows. In terms of liquidity, PT. SSIA financial ratios pre and post crisis seems to show that there is no significant difference ($\rho = 0.174$). Thus, hypothesis is rejected in terms of liquidity ratios. On the difference based on profitability ratios, there are no significant difference in terms of return on asset

($\rho = 0.266$) and return on equity ($\rho = 0.286$) of financial ratios pre and post economic crisis in America, therefore, H_0 is accepted. On the difference based on solvency or leverage ratios, there are no significant difference in terms of debt to equity

($\rho = 0.817$) and debt to asset ($\rho = 0.937$), thus, H_0 is accepted. And in terms of earning per share, there is no significant difference of earning per share pre and post economic crisis in United States of America ($\rho = 0.42$), and thus H_0 is accepted. The result in table 5 is then shows that the economic crisis does not have an effect on PT. Surya Inter Nusa.

PT. Total Bangun Persada (TOTL)

PT. Total Bangun Persada (TOTL) is a company listed in Indonesia Stock Exchange. The company is listed as business of providing construction services. PT. SSIA shows their financial condition in through their financial ratios, the

following table 6 shows the difference of the financial ratios pre and post the economic crisis in the United States of America.

Table 6
Pre-Post Financial Ratios Difference
PT. Total Bangun Persada (TOTL)

Ratio	Std. Deviation	Std. Error Mean	Lower	Upper	T	Df	Sig. (2-tailed)
EPS	23.4120 5	13.5169 5	- 64.692	51.6254 2	- 0.4833	2	0.677
DTE	24.9877 7	14.4267	- 66.813	57.3330 7	- 0.3285	2	0.774
DTA	4.79300 9	2.76724 5	- 11.949	11.8631 6	- 0.0156	2	0.989
ROE	13.1151 4	7.57203	- 35.239	29.9198 1	- 0.3512	2	0.759
ROA	5.25163 8	3.03203 5	- 13.405	12.6857 9	- 0.1187	2	0.916
CR	7.51480 1	4.33867 2	- 20.661	16.6744 7	- 0.4594	2	0.691

The table above shows the financial ratios analysis pre and post the economic crisis as follows. In terms of liquidity, PT. Total Bangun Persada financial ratios pre and post crisis seems to show that there is no significant difference ($\rho = 0.691$). Thus, hypothesis is rejected in terms of liquidity ratios. On the difference based on profitability ratios, there are no significant difference in terms of return on asset ($\rho = 0.916$) and return on equity ($\rho = 0.759$) of financial ratios pre and post economic crisis in America, therefore, H_0 is accepted. On the difference based on solvency or leverage ratios, there are no significant difference in terms of debt to equity ($\rho = 0.774$) and debt to asset ($\rho = 0.989$), thus, H_0 is accepted. And in terms of earning per share, there is no significant difference of earning per share pre and post economic crisis in United States of America ($\rho = 0.677$), and thus H_0 is accepted. The result in table 6 is then shows that the economic crisis does not have an effect on PT. Total Bangun Persada.

Conclusion

Based on the results of the study and the description above it, the research conclusion can be seen as follows:

1. There is no significant difference of financial ratios of PT. Wijaya Karya pre and post economic crisis in United States of America. Thus, this shows that the economic crisis does not have an effect on PT. Wijaya Karya.
2. There is no significant difference of financial ratios of PT. Wijaya Karya pre and post economic crisis in United States of America. Thus, this shows that the economic crisis does not have an effect on PT. Jaya Konstruksi.
3. There is significant difference of financial ratios of PT. Adhi Karya. The results are significant at $\alpha = 0.05$. The results is therefore shows that the economic crisis does have an effect on PT. Adhi Karya since there is a significant different of liquidity and profitability ratios pre and post economic crisis in the United States of America.
4. There is no significant difference of financial ratios of PT. PP pre and post economic crisis in United States of America. Thus, this shows that the economic crisis does not have an effect on PT. PP.
5. There is no significant difference of financial ratios of PT. Surya Inter Nusa pre and post economic crisis in United States of America. Thus, this shows that the economic crisis does not have an effect on PT. Surya Inter Nusa.
6. There is no significant difference of financial ratios of PT. Total Bangun Persada pre and post economic crisis in United States of America. Thus, this shows that the economic crisis does not have an effect on PT. Total Bangun Persada.

Managerial Implications

The results show that five out of six companies in the Construction sector does not affected by the economic crisis (similar to Ashshofia & Sulistiyani, 2009) nevertheless, analysis on PT. Adhi Karya financial statement shows result on significant difference in terms of profitability and liquidity pre and post

economic crisis(similar to Pangaribuan, 2009). Thus, the recommendation given thru this study is that for companies in the Indonesian Stock Exchange to be prepared and aware of the impact of foreign countries economy on Indonesia. In this sense, it is advisable that companies listed in the Indonesian Stock Exchange to maintain and improve their financial performance and analyze their performance periodically using financial ratios analysis. And for investors, the recommendation given based on the analysis that one factor that an investor can have to decide which companies to invest is whether the company has survived an economic crisis. The study suggest that the companies in the study has survived the economic crisis and further study can be obtain to strengthen the results of this study that all six companies in the construction sub sector are good to invest.

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