

FINANCIAL PERFORMANCE ANALYSIS OF THE LISTED MANUFACTURING COMPANIES IN INDONESIA STOCK EXCHANGE BEFORE AND AFTER THE IMPLEMENTATION OF LAW NUMBER 36 OF 2008

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ABSTRACT

This research was about comparison of financial performance of the listed manufacturing companies in Indonesia Stock Exchange before and after the implementation of law number 36 of 2008 about Income Tax. Financial performance is measured by Current Ratio, Leverage Ratio, Gross Profit Margin, Operating Profit Margin, Total Assets Turnover, Return On Investment, and Return On Equity. The author use window periode two years before and two years after the implementation of law number 36 of 2008. Seventy nine manufacturing companies are taken by the author as a sample. Wilcoxon signed rank test is utilized to test the ratios individually. Moreover, Wilks Lambda Manova test is used to test the ratios simultaneously.

The result of this research indicates that the financial performance of the listed manufacturing companies in Indonesia Stock Exchange before and after the implementation of law number 36 of 2008 is significantly different.

Key words: changes in income tax law, financial performance