Journal of Applied Accounting and Sustainable Finance
https://ojs.azzukhrufcendikia.or.id/index.php/aasf
VOL. 1. ISSUE. 1 ; April (2025)

The Effect of Information Asymmetry, Systematic Risk and *Investment Opportunity* (IOS) on Profit Quality in Food & Beverage

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Article Info

Keywords:
- *Information Asymmetry,*
- *Systematic Risk,*
- *Investment Opportunity Set (IOS),*
- *Earnings Quality,*

Article History

Received: 05 – 02 - 2025
Accepted: 05 – 03 - 2025
Published: 30 – 04 - 2025

Purpose – *This study aims to obtain empirical evidence and analyze the factors that influence earnings quality. The independent variables used in this study are Information Asymmetry, Systematic Risk and Investment Opportunity Set (IOS). The dependent variable in this study is earnings quality. The population used in this study are Manufacturing Companies in the Food & Beverage Sub-Sector Registered on the Indonesia Stock Exchange (IDX) from 2013 to 2022.*

Design/methodology/approach – *The research method used is descriptive quantitative. The type of data used is secondary data in the form of published financial reports of manufacturing companies in the food & beverage sub-sector which are listed on the Indonesia Stock Exchange in 2013-2022. Samples were collected by purposive sampling method. The number of companies that were sampled in this study were 10 companies with a research period of 10 years. Data processing using SPSS version 20 for windows by collecting related data and then calculating information asymmetry, systematic risk, and Investment Opportunity Set (IOS) and earnings quality. T), and multiple linear regression test*

Findings – *The results of this study partially show that information asymmetry has no effect on earnings quality, systematic risk has a negative and significant effect on earnings quality, Investment Opportunity Set (IOS) has a positive and significant effect on earnings quality. Simultaneous test results show that information asymmetry, systematic risk, and Investment Opportunity Set (IOS) affect earnings quality.*

INTRODUCTION

Financial statements are a source of data used to evaluate the company's performance and financial condition. Financial statements provide an overview of the financial state of a company and are a tool used by companies to communicate financial information about management's responsibilities for the management of owner resources. Financial statements include information on the company's profitability, and these figures can be used to assess whether or not the goals have been achieved (Kepramareni and Mahasaraswati 2021).

Relevant information is data that can help investors make informed decisions, ensuring that the results are as expected. Investors still take into account accounting profit information as one of the latest information. Information about quality accounting profits is essential for potential investors and creditors to make the right choice (Kepramareni and Mahasaraswati 2021).

Profit is a metric used to compare whether the profit generated and the planned profit are the same. If the results are close to or above the target of the initial plan, then the quality of the

profit is high. If the presentation of results does not reflect actual profits, the information obtained from the profit statements becomes biased, which has the effect of misleading creditors and investors when making judgments. An interesting topic to research in the field of accounting today is the quality of profits. Users of financial statements for contractual purposes and when making investment decisions usually have concerns about the quality of profits and the quality of financial reporting (Kepramareni and Mahasaraswati 2021).

Financial statements are a tool used to convey financial information of a company both to internal parties (management) and external parties (creditors, debtors, investors, etc.). Balance sheets, income statements, cash flow statements, and owner or shareholder equity statements are financial statements that are usually presented. Profit information is one of the data points of financial statements that are taken into account when making economic or investment decisions. Profit information can be used to make an assessment of corporate governance procedures from the point of view of the purpose of the contract. It can also be used as a basis for salary distribution within a company. Profit information is very important for investors to know the quality of profits as information in the perspective of investment decision-making. Therefore, profit quality is a problem for investors and accounting and government policymakers (Warianto and Rusiti 2016).

The company's operational performance is measured by external parties with profit as an indicator. The manager, who is an internal party to the company, has more information about the company's condition than the external party. This causes the company's management to report profits that do not reflect the actual condition of the company for personal interests. If this happens, it will result in low profit quality. The low quality of profits will make decision-making mistakes for users such as investors and creditors. Profit can be said to be of high quality if the reported profit can be used by the user of the financial statement to make the best decision and meet the qualitative characteristics of financial statements, namely relavan, and reliability (Warianto and Rusiti 2016).

If the profit is of good quality, the company will get good profits and attract investors to invest in the company because the consideration of good profit quality is a reflection of the company. In Indonesia, there have been many profit management phenomena by manipulating company profits in various sectors so as to reduce the quality of company profits. For example, the case of Tiga Pilar Sejahtera Food, which has the company code AISA, released its 2017 financial statements which were restated due to alleged inflating revealed by the public accounting firm Ernst & Young (EY) report, which was proven to be a receivables post where the company's old version of the 2017 financial statement posted Rp2.11 trillion while the restatement results only 485.71 billion which means there is an inflation of up to IDR 1.63 trillion, in the reserve post there is a difference of IDR 1.31 trillion in the old report only 91.91 billion in the restatement While in the fixed asset post there is a difference of 2.35 trillion, namely IDR 3.18 trillion in the old financial statements and IDR 824.62 billion if the total result is an inflation of IDR 5.29 trillion, or much larger than the results of EY's audit which only reported Rp 4 trillion, thus reducing the quality of the company's profits due to manipulation. At the GMS, 61% refused to ratify the 2017 financial statements because the majority of shareholders did not trust the financial statements submitted by the board of directors, quoted from katadata.co.id.

Another case occurred in PT Inovisi Infracom Tbk in 2017 the delisting of shares (INVS) by PT Bursa Efek Indonesia which was carried out after the shares with the code INVS were frozen

for 2 years because in 2015 the income statement of INVS experienced a fairly drastic increase where the difference in one year reached 1.4 trillion rupiah while the company only experienced an increase in revenue of around 35 billion rupiah. INVS' financial statements in the following year in 2016 experienced another decrease in profit of 120 billion rupiah. The IDX suspected the financial statements because they suspected that there were many suspicious numbers and asked INVS to make another financial statement, however, INVS did not provide its latest financial statements so that its shares were frozen until the latest financial statements were made. After 2 years of being frozen and no good faith from INVS, the IDX decided to delist INVS shares on the stock exchange starting October 2017 (Bayudono and Melania 2018).

In 2015 PT Sekawan Intipratama (SIAP) was asked by IDX to revise the financial statements presented in June 2015 with financial statements in September 2015 due to the significant difference in the company's operating cash flow, the difference in the value of the cash flow reached 3 trillion rupiah. Until SIAP provides a revision of the financial statements in that period, the IDX suspends SIAP shares on the stock exchange. It is suspected that SIAP inflated the value of the operating cash flow in its financial statements so that the IDX temporarily suspended its sales on the stock exchange to avoid unwanted risks. SIAP was also asked to replace the board of directors because it was strongly suspected that there were violations in the presentation of financial statements involving the board of directors of SIAP. (Bayudono and Melania 2018).

This phenomenon can be detrimental to many users of financial statements, where each party has its own interests in financial statement information. Currently, financial statements have become a central issue for stakeholders as a source of misuse of information. The existence of this phenomenon requires researchers to conduct research related to the quality of company profits presented by the company. Because the case shows that there is a storage of the function of financial statements that should be reported as a guideline for investors and interested parties. The occurrence of irregularities that should provide and present information on the company's actual condition but vice versa.

(Risdawaty & Subowo, 2015) researching the Influence of Capital Structure, Company Size, Information Asymmetry and Profitability on the Quality of Profits. Other research conducted by (Gaol 2019) Regarding the Influence of Information Asymmetry, Leverage, Accrual Quality, and Profitability on Profit Quality (Study on Manufacturing Companies Listed on the IDX 2010-2011). The results of the study vary, the variable of information asymmetry has a not significant effect on the quality of profit. In contrast to the results carried out by (Series 2020) researching the Influence of Profit Persistence, Investment Opportunity Set and Information Asymmetry on Profit Quality in Manufacturing Companies Listed on the IDX in 2015-2019. The results of the study show that the information asymmetry variable partially has a significant effect on the quality of profits.

Systematic risk is a risk related to changes that occur in the market as a whole. Investors will see that profit is an indicator of the company's performance in the future. If the company has a high risk, the information about the profit announcement is slightly reacted by investors, so the quality of the profit will be lower, this causes investors to be cautious in making decisions in relation to high-risk companies. Changes in stock prices that occur due to changes in profits announced by the company are certainly also influenced by the level of risk contained in it. In line with the research conducted by (Hanifa and Malik 2017) The results of the study show that systematic risk variables have a significant effect on the quality of profits.

Meanwhile, the research conducted by (Amelia 2013) Regarding the Effect of Systematic Risk and Growth Opportunities on Profit Quality in Manufacturing Companies Listed on the Indonesia Stock Exchange shows that the results of research on systematic risk variables do not have a significant effect on profit quality.

One of the indicators that can be used in measuring the performance or value of the company is Investment Opportunity Set (IOS). In research (Arisonda 2018) explain Investment Opportunity Set (IOS) is an opportunity for companies to grow. IOS is used as a basis for determining the classification of the company's future growth. The value of IOS depends on the expenses that management sets in the future (future discretionary expenditure) because at this time it is an investment option and is expected to generate a greater return than the cost of equity (cost of equity) and can make a profit. The manager's actions become unobservable which can cause the principal to be unable to know whether the manager has taken the action in accordance with the principal's wishes or not. A company's IOS can also affect the way managers, owners, investors and creditors view the company. Companies that have high growth opportunities are considered to be able to produce high returns as well. Variable research results Investment opportunity set has a positive and significant effect on the quality of profits. Meanwhile, other research researched by (Maulia and Handojo 2022) On the Influence of Accounting Conservatism, Investment opportunity set, and other factors to the quality of profits. The results of his research show that the Investment opportunity set does not have a significant effect on the quality of profits.

Previous research shows inconsistent results. Therefore, this study re-examines problems related to information asymmetry, systematic risk, Investment Opportunity Set (IOS) and profit quality with the object of manufacturing companies in the food and beverage sub-sector listed on the Indonesia Stock Exchange (IDX) for the 2013-2022 period. Based on the above background description, the researcher wants to test **the "The Influence of Information Asymmetry, Systematic Risk, Investment Opportunity Set (IOS) on Profit Quality in Food & Beverage Sub-Sector Manufacturing Companies Listed on the Indonesia Stock Exchange (IDX) in 2013-2022".**

LITERATURE REVIEW

Signaling Theory

Signal theory is an action taken by company management that provides investors with instructions on how management views the company's prospects. This theory provides an explanation of why the company has the incentive to submit or provide information related to the company's financial statements to external parties. According to Brigham and Hautson, a signal is an action taken by a company to provide guidance to investors on how management views the company's prospects.

Agency Theory

Agency Theory according to (Fionasari 2020) is a theory that explains the relationship or contract between principal and agent. The relationship between the principal and the agent is called the agency relationship which occurs when one of the parties, in this case the owner of the company as the principal hires and delegates authority to the other party, namely the

manager as an agent to carry out a service. The company manager as an agent performs certain tasks for the principal, while the principal, the owner of the company or the shareholder, has the obligation to reward the agent.

The Effect of Information Asymmetry on the Quality of Profits

Information asymmetry arises when managers know more internal information and the company's future prospects than other shareholders and stakeholders (Agusti, 2013). Information asymmetry allows for conflicts that occur between principals and agents to try to take advantage of each other for their own interests. The occurrence of a conflict called agency conflict is because the related parties, namely the principal (who gives the contract or shareholders) and the agent (who receives the contract and manages the principal's funds) have conflicting interests.

H_1 : Information asymmetry has no effect on profit quality

The Effect of Systematic Risk on the Quality of Profits

Systematic risk or called market risk is a risk that cannot be diversified or avoided. This risk is related to general market conditions, such as sharp inflation, rising interest rates, economic cycles, tax policies and others. The measuring tool that can be used to calculate systematic risk is beta. Beta indicates the sensitivity of a security's return to changes in market returns. The higher the beta of a security, the more sensitive it is to market changes.

H_2: Systematic risk has a negative effect on the quality of profits.

The Effect of Investment Opportunity Set (IOS) on Profit Quality

Investment Opportunity Set is an investment in the future that is made to develop a company. The larger the Investment Opportunity Set that the company has, the greater the opportunity for investors to be interested in investing in the company because there is an expectation to get a higher return. It has been explained in signal theory that information provided by the management to external parties will provide signals for external parties in decision-making. Quality profits will provide a positive signal to external parties. A high Investment Opportunity Set is considered positive by investors because it has high profit prospects, so many investors are interested in investing in companies that have a high Investment Opportunity Set. Companies with a high investment opportunity set will get a high response from external parties because of the assumption that the company will get a greater profit.

H_3 : Investment Opportunity Set has a positive effect on the quality of profit.

RESEARCH METHOD

The information to be taken in this study is about the influence of information asymmetry, systematic risk, and Investment Opportunity Set (IOS) on the quality of profits in manufacturing companies in the food and beverage sub-sector listed on the Indonesia Stock Exchange (IDX) in the period from 2013 to 2022. This study uses a quantitative method by looking for causal relationships of the variables studied. The data collection method uses secondary data.

This study aims to find out the possible relationship regarding the influence of the independent variables of Information Asymmetry, Systematic Risk, and Investment Opportunity Set (IOS) on the dependent variable of Profit Quality. The research paradigm used in this study is positivism as a method that is systematically arranged using deductive logic from a person's behavior in order to find conjectures and predict patterns of human activities and cause-effect relationships. The type of data used in this study is quantitative data. For the unit of analysis, use Organization/Company with minimal research involvement. The sampling design in this study is non-probability sampling. For the research background, there was no intervention in the study (noncontrived setting). For the implementation time, time series was used using data analysis, namely hypothesis testing.

Table 1 Research Sampling Procedure

Yes	Criterion	Number of Companies
1	A manufacturing company in the food and beverage sub-sector that is listed on the Indonesia Stock Exchange (IDX) and is still listed as an issuer until December 31, 2022.	47
2	Companies Manufacturing companies in the food & beverage sub-sector that did not publish complete financial statements in the 2013-2022 period and did not have complete data for the calculation of research variables.	(33)
3	Companies Manufacturing companies in the food & beverage sub-sector that suffered losses during the 2013-2022 research period.	(4)
4	Number of companies available as a sample	10

Table 2 Variable measurement tools and sources

Concept	Variable	Measuring Instruments	Source
Dependent	Information Asymmetry	SPREADit = (askit – bidit) / [(askit + bidit) / 2] x 100	Gaol
Independent	Systematic Risk	$R = \alpha + \beta Rm + e$	Amelia
Moderating	Investment Opportunity Set (IOS)	MVBVE=(JSB x HS)/TE	Fathussalmi, Darmayanti, and Fauziati
Control	Quality Profit	Earnings Quality=(Cash Flow From Operating Activities)/(Earnings Before Interest and Tax)	Maulia and Handojo

Data Source

This type of research uses a quantitative research method, where the data obtained is realized in the form of numbers and the analysis uses a statistical tool, namely SPSS version 20. The data source in this study is secondary data obtained from the publication of the Indonesia Stock Exchange and the respective company websites. The data used is in the form of financial statements in the company's annual report which is used as a sample of companies listed on the Indonesia Stock Exchange (IDX) for the period 2013 to 2022.

Data Collection Techniques

The data collection technique in this study was carried out with documentation techniques. According to (Komala 2017), a document that is a record of events that have passed. Documents can be in the form of writings, drawings, or monumental works of a person. Documents in the form of written documents such as diaries, life histories (life stories), stories, biographies, regulations, policies.

Documents in the form of works such as works of art, which can be in the form of pictures, sculptures, films and others. Document studies are complementary to the use of observation and interview methods in qualitative research. The documents taken from this study are the financial statements of manufacturing companies in the food & beverage sub-sector from the period 2013 to 2022 obtained from the publication of the Indonesia Stock Exchange (IDX) and the respective company websites.

RESULTS

Descriptive statistics are used to describe or describe the state of the data in a study. The descriptive analysis of the research data is 10 companies in the 2013-2022 period with a total of 100 samples. The variables used in this study include dependent variables, namely Profit Quality and independent variables consisting of Information Asymmetry, Systematic Risk, and Investment Opportunity Set (IOS).

Table 3 Descriptive Statistical Test Results

Descriptive Statistics

	N	Minimum	Maximum	Mean	Hours of deviation
Information Asymmetry	100	,00	15,56	2,2588	2,57712
Systematic Risk	100	-3,70	5,37	,5036	1,15917
Investment Opportunity Set	100	,12	32,12	4,0551	6,33511
Quality Profit	100	-1,90	2,44	,8025	,69597
Valid N (listwise)	100				

Source : SPSS 20 results, processed secondary data

Uji Hypothesis

This study tested the hypothesis using the multiple regression analysis method. As for testing the significance of the hypothesis, t-test, f-test, and determination coefficient are used.

T Test (Partial Test)

The partial test (t-test) is used to test whether the individual independent variable has an effect on the bound variable. The significant probability level used is 0.05. If the value of significant is greater than 0.05 or > 0.05, it can be interpreted that there is no significant influence or H0 is accepted and Ha is rejected. Furthermore, compare the value of Thcal with the Ttable if the value of Thcal is greater than the Ttable, then there is an influence on the bound variable, and vice versa.

The table of this study has a value of 1.984 with N = 100 (Number of Observations) and K = 3 (Number of Variables). To answer the first to third hypotheses, see table 4.4 below:

Table 4 T Test

Coefficientsa

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig
	B	Std. Error	Beta		
(Constant)	,840	,041		20,382	,000
Information Asymmetry	-,019	,010	-,163	-1,869	,065
Systematic Risk	-,092	,021	-,376	-4,298	,000
Investment Opportunity Set	,013	,004	,268	3,055	,003

a. Dependent Variable: Quality of Profit

Source : SPSS Results 20. Processed secondary data

Table 4 explains that:

a. First Hypothesis Test (H1)

The first hypothesis explains that Information Asymmetry partially has no effect on the Quality of Profit. Based on table 4.5, it can be seen that the Thcal value is smaller than the Ttable value (-1.869 < 1.984) and the significant value is greater than 0.05 (0.065 > 0.05) and the regression coefficient (β) of -0.019 which states negative, then H1 is accepted and Ha is rejected or can be partially denoted Information Asymmetry has no effect on Profit Quality.

b. Second Hypothesis Test (H2)

The second hypothesis explains that Systematic Risk partially has a significant negative effect on Profit Quality. Based on table 4.6, it can be seen that the Thcal value is greater than the Ttable value (-4.298 > 1.984) and the significant value is less than 0.05 (0.000 < 0.05) and the regression coefficient (β) is -0.092 which states negative, then H2 is rejected and Ha is accepted or can be partially deducted Systematic Risk has a negative and significant effect on Profit Quality.

c. Third Hypothesis Test (H3)

The third hypothesis explains that the Investment Opportunity Set (IOS) partially has a significant positive effect on the Quality of Profit. Based on table 4.6, it can be seen that the value of Tcal is greater than the value of Ttable (3.055 > 1.984) and the significant value is smaller than 0.05 (0.003 > 0.05) and the regression coefficient (β) of 0.013 which states positive, then H3 is rejected and Ha is accepted or can be partially recognized Investment Opportunity Set (IOS) has a positive and significant effect on Profit Quality.

F Test (Simultaneous Test)

Simultaneous tests (f test) are used to find out whether all independent variables in the research model have an influence together or simultaneously on dependent variables. The criterion of the f test is carried out by comparing the significance value with alpha (0.05), where if the significance < alpha (0.05), then H0 is rejected and Ha is accepted and vice versa (Ghozali, 2018). The results of the f test are presented in table 4.5 below:

Table 5 F Test

ANOVA

Model		Sum of Squares	Df	Mean Square	F	Itself.
1	Regression	2,477	3	,826	12,303	,000b
	Residual	6,443	96	,067		
	Total	8,920	99			

a. Dependent Variable: Quality of Profit

b. Predictors: (Constant), Investment Opportunity Set, Information Asymmetry, Systematic Risk

Source **:** SPSS Results 20. Processed secondary data

Table 5 explains the values df1 = 3 and df2 = 96. The results obtained for Fcal were 12,303 and Ftabel was 2,699. This shows that Fcal is greater than Ftabel or 12.303 > 2.699. The significance value is 0.000 which means the significant value is less than 0.05. So it can be concluded that the fourth hypothesis, namely H0 is rejected and Ha is accepted, meaning that the variables of Information Asymmetry, Systematic Risk, and Investment Opportunity Set (IOS) simultaneously have a significant effect on the Quality of Profit.

Coefficient of Determination (R2)

The determination coefficient (R2 test) is used to measure the model's ability to explain the variation of dependent variables or to determine the magnitude of the influence of the independent variable on the fixed variable expressed in percentages. The value of the coefficient of determination is between zero and one. The coefficient of determination is known from the value of the Adjusted R Square (Ghozali, 2018). The results of the determination coefficient test are presented in table 4.5 below:

Table 6 Coefficient of Determination

Predictors: (Constant), Systematic Risk, Information Asymmetry, Investment Opportunity Setb

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,457a	,209	,175	,63525	2,171

a. Predictors: (Constant), Systematic Risk, Information Asymmetry, Investment Opportunity Set

b. Dependent Variable: Profit Quality

Source **:** SPSS Results 20. Processed secondary data

Based on table 6 above, it is explained that the regression model has a determination coefficient of 0.175. These results show that the contribution of independent variables (Information Asymmetry, Sitematic Risk, and Investment Opportunity Set (IOS)) can affect Profit Quality by 17.5% and the remaining 82.5% is influenced by other variables that are not discussed in this study.

Discussion of Research Results

Data analysis in this study needs to be carried out to determine the influence of Information Asymmetry (X1), Sitematic Risk (X2), and Investment Opportunity Set (IOS) (X3) on Profit Quality (Y) in manufacturing companies in the food & beverage sub-sector in 2013-2022, so that the results are as follows:

DISCUSSIONS

The Effect of Information Asymmetry on the Quality of Profits

Based on the results of the study, the information gap that occurs between investors and management results in the opening of great opportunities for management to carry out profit management practices. Investors have limited information and resources so that investors cannot directly control and monitor everything that management does. The investor can only find out the condition of the company from the report provided by the management. This is used by the management to be able to make financial reports, especially profit information that can benefit themselves. The decisions made by the management in carrying out profit management practices result in the reported profit not in accordance with the actual conditions, in other words, the profit generated is of low quality. If the reported profit is of good quality, then the user of the financial statement will react to the information. Conversely, if the reported profit is of poor quality then the user will not react to the information.

The Effect of Systemmatic Risk on the Quality of Profits

The results of the second hypothesis using the t-test were obtained that the Tcal value was greater than the Ttable value (-4.298 > 1.984) and the significant value was less than 0.05 (0.000 < 0.05) and the regression coefficient (β) was -0.092 which stated negative, then H2 was rejected and Ha was accepted or can be partially determined. Systematic Risk has a negative and significant effect on Profit Quality.

These results show that statistically the Systematic Risk variable has a negative and significant effect on the Quality of Profit in Manufacturing Companies in the Food & Beverage Sub-Sector Listed on the Indonesia Stock Exchange (IDX) in 2013-2022 and the second hypothesis (H2) which states that Systematic Risk has a negative and significant effect on Profit Quality is rejected.

The Effect of Investment Opportunity Set (IOS) on Profit Quality

The results of the third hypothesis using the t-test were obtained that the Thcal value was greater than the Ttable value (3.055 > 1.984) and the significant value was less than 0.05 (0.003 > 0.05) and the regression coefficient (β) was 0.013 which stated positive, then H3 was rejected and Ha was accepted or can be said to be partially the Investment Opportunity Set (IOS) has a positive and significant effect on the Quality of Profit.

These results show that statistically the Investment Opportunity Set (IOS) variable has a positive and significant effect on the Quality of Profit in Manufacturing Companies in the Food & Beverage Sub-Sector Listed on the Indonesia Stock Exchange (IDX) in 2013-2022 and the second hypothesis (H3) which states that the Investment Opportunity Set (IOS) has a positive and significant effect on the Quality of Profit is rejected.

CONCLUSIONS

This study aims to determine the influence of information asymmetry, systematic risk and Investment Opportunity Set (IOS) on profit quality in manufacturing companies in the food & beverage sub-sector in 2013-2022. The data in this study totals 100 data from manufacturing companies in the food & beverage sub-sector that have met purposive sampling criteria determined by the researcher. Data analysis used descriptive statistical analysis and multiple linear regression analysis with the help of SPSS version 20 program.

Based on the test results, this study produced several conclusions as follows:

1. The first hypothesis test shows that the Information Asymmetry variable partially has no effect on Profit Quality and is statistically insignificant in manufacturing companies in the food & beverage sub-sector listed on the IDX 2013-2022. This happens because information asymmetry and conflicts of interest that occur between principals and agents encourage agents to present information that is not true to the principal, especially if the information is related to the measurement of agent performance. This spurs agents to think about how these accounting numbers can be used as a means to maximize their interests. One form of agent action is called earnings management.

2. Testing The second hypothesis shows that the Systematic Risk variable partially has a negative and significant effect on the Quality of Profit in manufacturing companies in the food & beverage sub-sector listed on the IDX 2013-2022. Thus, if the company has a high level of risk, the information regarding the profit announcement will be slightly reacted to by investors, so the quality of the profit will be lower. The low quality of profits reflects the company's reported earnings of poor quality. In other words, the magnitude of the systematic risk measured by beta has a negative effect on the quality of the company's reported profits.

3. Testing The third hypothesis shows that the Investment Opportunity Set (IOS) variable partially has a positive and significant effect on Profit Quality in manufacturing companies in the food & beverage sub-sector listed on the IDX 2013-2022. Thus, if the company has a high Investment Opportunity Set (IOS), the company's management will be motivated to carry out increasingly large profit management so that the quality of profits becomes low.

IMPLICATIONS AND LIMITATIONS

Based on the conclusions contained in this study that have been explained above, the author provides suggestions for the next research to be carried out as follows:

For the Next Researcher

a. Based on the results of the study, it is recommended to develop the quality of the research. The form of development can be in the form of increasing the research time span, adding new variables, and adding a number of research samples to make them more complex and accurate.

b. This research is expected to be used as reference material for future research, especially for those who have similar research variables.

For Academics

This research can be used as a comparison and reference material for future research and is expected to be able to continue research related to the influence of Information

Asymmetry, Systematic Risk and Investment Opportunity Set (IOS) on Profit Quality so that it is beneficial for interested parties.

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