NICEBIS : National Innovation Conference on Economics and Business
Volume I , Number I , 2025
Open Access: https://proceeding.kreatiftechinnovations.id/nicebis

THE INFLUENCE OF INFORMATION ASYMMETRY, EARNINGS QUALITY AND *TAX AVOIDANCE* ON COMPANY VALUE

[1]Devi Nur Luvinta
Accounting Study Program, Faculty Of Economics And Business
Islamic University Of Lamongan
Lamongan, Indonesia
deviluvintaa@gmail.com

[2]Indah Kurniyawati
Accounting Study Program, Faculty Of Economics And Business
Islamic University Of Lamongan
Lamongan, Indonesia
indah.kurnia5@unisla.ac.id

[3]Erna Hayati
Accounting Study Program, Faculty Of Economics And Business
Islamic University Of Lamongan
Lamongan, Indonesia
ernahayati@unisla.ac.id

Keywords:
Information Asymmetry ; Earnings Quality ; Tax Avoidance; Company Value; Corporate Finance

ABSTRACT

This study aims to examine the effect of information asymmetry, *Earnings Quality and Tax Avoidance on Company Value (Empirical Study on Manufacturing Companies in the Food and Beverage Sub-Sector Listen on the IDX for the Period 2019-2023). Firm value is an often associated with stock prices. The sample of this study was determined using a purposive sampling technique covering 21 companies with a total of 110 observations. Secondary data were collected from audited annual reports and stock prices obtained from Yahoo Finance. The data analysis method used is panel data regression and descriptive statistics with the Stata 12 program. The result of simultaneous testing shows that information asymmetry, earning quality and tax avoidance simultaneously have a significant effect on firm value, with a determination coefficient value of 23.12%. Partially, information asymmetry has no significance, earning quality has a significant positive effect and tax avoidance has a significant positive effect on company value.*

INTRODUCTION

Company value reflects investor perceptions of the company's potential success in the future and is one of the most crucial aspects for managers and investors (Riswandi & Yuniarti, 2020 ; Nofianti et al., 2023) . The food and beverage industry is one of the leading manufacturing sectors that makes a significant contribution to national economic growth by meeting community needs (Sari, 2018) in (Astuti and Hanim, 2023) . Based on data from the Ministry of Industry, this sector shows great potential, especially in contributing to Indonesia's Gross Domestic Product (GDP). In the first quarter of 2024, the Non-Oil and Gas processing industry sector was dominated by the food and beverage industry, which contributed 39.91%, or 6.47% of the total national GDP (Ministry of Industry, 2024:6).

The rapid population growth and economic development in Indonesia, the food and beverage sector has become a strategic area for obtaining high profits in investments aimed at increasing the

company's value and attracting investor interest. Although this sector offers great potential, not all companies in this sector can optimally utilize this potential, one case of the drastic decline in shares of *Fast Food* Indonesia (FAST), which manages the KFC trademark in Indonesia, After reporting a large loss in the third quarter of 2024. The company recorded a loss of IDR 557.08 billion, which is an increase of 266.59% compared to the same period in the previous year. A significant decline in revenue of 22.28%, coupled with the closure of 47 outlets and the reduction of more than 2,000 employees. FAST's total assets were recorded to have fallen to IDR 3.82 trillion in September 2024, from IDR 3.91 trillion in December 2023. This condition has a direct impact on FAST's share price which fell 19.81% in the week after the financial report was announced. (CNBC Indonesia, 2024:11).

Although not explicitly stated, this drastic decline in stock prices indicates market uncertainty triggered by information that was not fully understood by investors previously. The ambiguity regarding the company's internal conditions, which were only revealed after reporting disappointing financial performance, can create an information gap between company management and investors. This kind of information gap can lead to market distrust of the company's future prospects, thus affecting the stock price and the company's overall value.

According to Kurniyawati (2019) Information asymmetry is a condition where managers gain easy access to information about company prospects that are not available to external parties. Including conditions in the capital market where one market player has more information than other market players (Azari and Facrizal, 2017 ; Tjahja and Lindrawati, 2024) . This condition can create information inequality between the company and its owners or investors, which can trigger inappropriate treatment or the search for personal gain by the company's management.

Earnings quality plays an important role in reducing the discrepancy of earnings information that sometimes does not reflect the actual economic conditions of the company. Inaccuracies in these financial reports make earnings quality very important, so that the information presented can support the right decision making. Without good earnings quality, investors or users of the report are at risk of misjudging market conditions and the performance of the company's management. (Saputro & Hermanto, 2018 ; Sahara, 2024) . Therefore, high earnings quality is key to ensuring the transparency necessary for investors to make informed investment decisions.

The strategy that companies often implement to maximize profits is to manage taxes efficiently. According to Moeljono (2020); (Lisa, 2023) Tax *Avoidance* is a strategy to minimize the tax burden through methods that comply with applicable laws and regulations. Tax avoidance is seen as a legitimate effort to reduce a company's tax burden, but if done excessively, this practice can reduce the quality of reported profits. This is due to the possibility of financial data manipulation or the use of non-transparent tax policies, which have the potential to cause an inaccurate representation of the company's financial condition. In the long term, this can damage investor confidence in the company's financial statements, which will ultimately affect investor decisions (Anggita and Stiawan, 2023) .

This study aims to determine the effect of Information Asymmetry, Earnings Quality and *Tax Avoidance* partially and simultaneously on company value using a quantitative approach through panel data regression analysis to analyze the relationship between independent variables and dependent variables.

This research is expected to provide theoretical contributions in the development of accounting science, especially related to information asymmetry, earnings quality, *tax avoidance* and company value. Practically, the results of this study are expected to be input for companies in managing financial information and tax strategies and assist investors in making investment decisions.

Based on the results of previous phenomena and research on factors that influence company value, many still do not show consistency and only focus on one variable, without considering all three. Therefore, the author wants to examine the relationship between information asymmetry, earnings quality and *tax avoidance* on company value. By including food and beverage manufacturing companies listed on the Indonesia Stock Exchange (IDX) and adding research years from 2019 to 2023 to describe the current conditions in a company. The author took a research sample in this sector because of its relevance and large contribution to the economy and it is said to be a stable and rapidly growing sector so it is interesting to study.

Based on the description and explanation, the researcher is interested in conducting research on the Influence of Information Asymmetry, Earnings Quality and *Tax Avoidance* on Company Value. The following is the framework of thought in the research obtained from the presentation of research objectives related to the influence of Information Asymmetry, Earnings Quality and *Tax Avoidance* on company value.

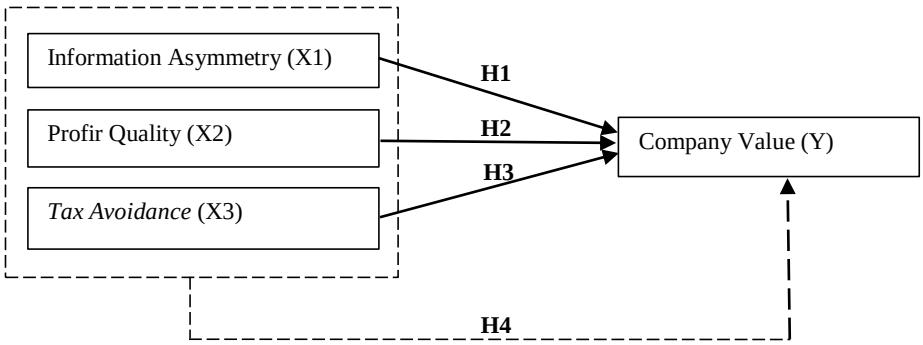

Figure 1. Framework of thinking

In accordance with the problems and framework of thinking above, the following hypothesis can be formulated:

H_1: it is suspected that there is a negative influence between information asymmetry and company value
H_2: it is suspected that there is a positive influence between profit quality and company value
H_3: it is suspected that there is an influence between *tax avoidance* and company value
H_4: it is suspected that there is a simultaneous influence between information asymmetry, earnings quality and *tax avoidance* on company value.

RESEARCH METHODS

Population and Sample

This research is included in the type of quantitative research. The data used is secondary data in the form of financial reports of manufacturing companies in the food and beverage sub-sector for the period 2019-2023 taken from the official website of the Indonesia Stock Exchange idx.co.id and *yahoo finance* to find out the price of shares in circulation. The population used in this study is the food and beverage sub-sector manufacturing companies listed on the Indonesia Stock Exchange in 2019-2023. The number of samples used in this study was 110 data from 22 companies with a sample observation of 5 (five) years, namely 2019-2023.

Table 1. of sample companies

No.	ISSUER CODE	Company name
1.	ADES	PT Akasha Wira International Tbk.
2.	AGAR	PT Asia Sejahtera Mina Tbk.
3.	AISA	PT. FKS Food Sejahtera Mina Tbk.
4.	BUDI	PT. Budi Starch & Sweetener Tbk.
5.	CAMP	PT. Campina Ice Cream Industry Tbk.
6.	CEKA	PT. Wilmar Cahaya Indonesia Tbk.
7.	CLEO	PT. Sariguna Primatirta Tbk.
No.	ISSUER CODE	Company name
8.	CPIN	PT. Charoen Pokphand Indonesia Tbk.
9.	CPRO	PT. Central Proteina Prima Tbk.
10.	ICBP	PT. Indofood CBP Sukses Makmutr Tbk.
11.	INDF	PT. Indofood Sukses Makmur Tbk.
12.	JPFA	PT. Japfa Comfeed Indonesia Tbk.
13.	MAIN	PT. Malindo Feddmil Tbk.
14.	MYOR	PT. Mayora Indah Tbk.
15.	PSGO	PT. Palma Serasih Tbk.
16.	ROTI	PT. Nippon Indosari Corpindo Tbk.
17.	SGRO	PT. Sampoerna Agro Tbk.
18.	SKBM	PT. Sekar Bumi Tbk.
19.	SKLT	PT. Sekar Laut Tbk.
20.	TBLA	PT. Tunas Baru Lampung Tbk.
21.	ULTJ	PT. Ultrajaya Milk Industry & Trad Tbk.
22.	TGKA	PT. Tigaraksa Satria Tbk.

Sugiyono (2020:128) Explains that sampling technique is a sampling technique to determine the sample to be used. Sampling in this study used the *purposive sampling method*, which is a sampling method in which not all members of the population are given the opportunity to be selected as samples. The sample criteria used in this study are as follows:

Table 2. Research Sample Sample Characteristics

Information	Amount
Manufacturing companies in the food and beverage sub-sector listed on the IDX	**65 companies**
Manufacturing companies in the food and beverage sub-sector listed on the IDX consecutively during the 2019-2023 period (Wati., et al. 2024) .	40
Companies that do not publish incomplete *annual reports during the 2019-2023 period* (Wati., et al. 2024) .	(6)
Food and beverage sub-sector companies listed on the IDX during the 2019-2023 period experienced consecutive losses (Wati., et al. 2024) .	(7)

Total companies that meet the criteria	27
Observation year	5
Total sample of company research period 2019-2023	135
Outlier Data	(25)
Total samples used in the study	**110**

Based on the characteristics of the sample above, it shows that the number of food and beverage sub-sector manufacturing companies listed on the Indonesia Stock Exchange (IDX) is 65 companies. Of the 65 companies, there are 40 companies that are listed consecutively during the 2019-2023 period, 6 companies do not publish incomplete *annual reports* and 7 companies that experience losses consecutively, so that 27 companies are obtained that meet the requirements and are used as the initial sample. Because this study uses panel data for five years, the total initial observation data is 135. Furthermore, an outlier test was carried out to maintain data validity, as many as 25 data were excluded from the analysis because they were identified as outlier data, so the total data used in this study was 110 data from 22 companies. To measure variables, this study uses a documentation approach, which includes the following steps:

Table 3. Operational Definition and Measurement of Variables

No.	Operational Definition	Indicator	Scale
1	Company Value (Y) Company value is an investor's view of the level of success of a company which is often associated with stocks (Meylani, 2020); (Nofianti et al., 2023) . In this study, the market price per share must be taken into account Based on Kanagaretnam et al., (2007); (Kurniyawati, 2019) . The Niit annauncemnet period consists of 5 trading days, namely, 2 days before the announcement and 2 days after the announcement. To ensure that the non-announcement period is not affected by the event study, this study was issued 10 days before and 10 days after the earnings announcement.	Company value is measured using *the Price to Book Value* (PBV) ratio as follows according to Bevelin, (2019) in (Tjahja & Lindrawati, 2024) : $PBV=\frac{Market\ Price\ Per\ Share}{Book\ Value\ Per\ Share}$	Ratio
2	Information Asymmetry (X1) Information asymmetry is a condition where one market player has more information than other market players (Azari and Facrizal, 2017); (Tjahja & Lindrawati, 2024) . This condition causes a price difference between supply and demand among market players, so that the difference between the bid price and the ask price reflects the level of information asymmetry. In this study, it must	Information asymmetry is measured using *the bid-ask spread* as follows: S PR EAD = (a $sk_{i,t}$−b $id_{i,t}$)/ {(a $sk_{i,t}$−b $id_{i,t}$)/ 2} × 100 The spread difference between the announcement and non-announcement periods can be seen as follows:	Ratio
	calculate the spread for the announcement and non-announcement periods. Based on Kanagaretnam et al., (2007) in (Kurniyawati, 2019) . The Niit announcement	CSPREAD = the difference between the average percentage spread of the announcement and	

	period consists of 5 trading days, namely, 2 days before the announcement and 2 days after the announcement. To ensure that the non-announcement period is not affected by the event study, this study was conducted 10 days before and 10 days after the earnings announcement.	non-announcement periods.	
3	Earnings Quality (X2) Profit quality is the extent to which the profit information presented by the company can be trusted and used by investors to assess the condition of the company (Wulansari, 2013); (Rahyulia, et al., 2024) .	Earnings quality can be measured using the following formula according to Penman, (2020) in (Rahyulia et al., 2024)	Ratio
No.	**Operational Definition**	**Indicator**	**Scale**
		Earnings Quality = Net cash flow from operating activities / net income	
4	*Tax Avoidance* (X3) *Tax Avoidance* or tax avoidance is a method used by companies to reduce the amount of tax to be paid, by exploiting loopholes in tax regulations (Novia and Halmawati, 2022); (Margie and Melinda, 2024)	*Tax avoidance* is measured using the following formula: ETR = $\frac{Beban\ Pajak}{Laba\ Sebelum\ Pajak}$	Ratio

Sources and Methods of data collection

The data source used in this study is secondary data which is the publication of annual financial reports of companies listed on the IDX. The data is published and available on the Indonesia Stock Exchange (IDX) website online at ***http://www.idx.co.id*** . and *yahoo finance* to find out the price of shares in circulation. This study uses a documentation method. The data used are in the form of financial reports of manufacturing companies in the food and beverage sub-sector for the period 2019-2023.

Data analysis

This research lasted for several years and involved a number of companies as objects of study. Therefore, a panel data approach was used in the analysis, with the support of Stata software version 12 to manage data and strengthen the accuracy and validity of research findings. In addition, this study applies various data analysis methods as part of the processing and interpretation of results, which include descriptive analysis, testing assumptions and model feasibility, model selection, regression analysis, and hypothesis testing.

RESULTS AND DISCUSSION

Descriptive Analysis

Table 4. Descriptive Statistical Analysis Results

Variables	Obs	Mean	Min	Max	Std. Dev.
Information Asymmetry	110	1.568876	-66.66667	81.48148	15.6417
Profit Quality	110	-3.62911	-712.0758	169.7448	71.46854

Variables	Obs	Mean	Min	Max	Std. Dev.
Tax Avoidance	110	0.2103084	-2.908785	0.9520961	0.352315
Company Values	110	2.32488	0.5191072	3.8064	0.4291425

Source: Stata Output 12, 2025

The Information Asymmetry variable has an average value of 1.568876 with a standard deviation of 15.6417. The maximum value reaches 81.48148 recorded in PT Palma Serasi Tbk (PSGO) in 2019, while the minimum value of -66.66667 occurred in PT Tigaraksa Satria Tbk (TGKA) in 2019 and 2023. This very large range of values indicates that there is a significant information gap between companies, which has the potential to affect the quality of investor decision making.

Variables Earnings quality shows an average of -3.62911 and a fairly high standard deviation of 71.46854 to a maximum of 169.7448. This indicates large fluctuations in earnings quality, which indicates the possibility of earnings management practices in certain companies, especially PT Asia Sejahtera Mina Tbk (AGAR) which has extreme values, both the highest (2029) and the lowest (2023).

Tax avoidance variable has an average value of 0.2103084 with a standard deviation of 0.352315. The minimum value of -2.908785 indicates a significant difference in tax avoidance strategies between companies. The maximum value of 0.9520961 occurred in PT Central Proteina Prima Tbk (CPRO) in 2020, indicating the potential for an aggressive strategy in *tax avoidance* , while the minimum value was found in PT Sampoerna Agro Tbk (SGRO) in 2020.

The company's value has an average value of 3.8064 with a standard deviation of 0.4291425. The range of values from 0.5191072 to 3.8064 shows the variation in market value between companies. The highest value was achieved by PT Asia Sejahtera Mina Tbk (AGAR) in 2023, which shows a positive market perception of the company's performance and prospects.

Multicollinearity test

The purpose of the Multicollinearity Test is to detect whether there is a strong linear relationship between independent variables in the research model. To identify the presence of multicollinearity, two indicators can be used, namely Tolerance and Variance Inflation Factor (VIF) with the provision that if the Tolerance value is less than 0.1 and the VIF value is more than 0.1, it can be concluded that there is multicollinearity.

Table 5. Multicollinearity Test Results

Variables	**VIF**	**Tolerance**
Tax Avoidance	1.02	0.981766
Profit Quality	1.02	0.984653
Information Asymmetry	1.00	0.996563
Mean VIF	1.01	

STATA Output Source 12, 2025

Based on the results of the multicollinearity test, the VIF value is <10 or the *tolerance value* is >0.01, which means that the data does not show symptoms of multicollinearity or the multicollinearity test has been met.

Heteroscedasticity test

To determine whether or not there are symptoms of heteroscedasticity, it can be seen from the results of the heteroscedasticity test, where there are no symptoms of heteroscedasticity if the sig value is greater than 0.05, while heteroscedasticity occurs if the sig value is less than 0.05.

Table 6. Heteroscedasticity Test Results

Breusch Pagan	**Significance**
Chibar2(01)	0.60
Probability value	0.4377

Source: STATA output 12, 2025

The results of the heteroscedasticity test show a Prob>chi2 value of 0.4377, which means that the variable data does not experience symptoms of heteroscedasticity or the assumptions of the heteroscedasticity test have been met.

Chow Test

Chow test is used to determine the best model by comparing the results of the common effect with the fixed effect.

Table 7. Chow Test Results

Chow test	
F-statistic	0.12
Probability value	0.9735

Source: STATA 12 output results, 2025

chow test above, the Prob value is 0.9753 where the value is > 0.05 which means H0 is accepted, so the CEM model is selected.

***Lagrange Multiplier* (LM) Test**

The results of the Chow test indicate that the common effect model is the most appropriate model, so the LM test is used to compare whether the common effect model can provide better estimates compared to the random effect model.

Table 8. Lagrange Multiplier Test Results

Breusch and Pagan Lagrange Multiplier test	
Chibar2(01) =	0.00
Prob > chibar2 =	1.0000

Source: Stata 12 Output Results, 2025

the Lagrange multiplier (LM) test above, Prob > chibar2 with a value of 1.0000, where the value is > 0.05, which means that H0 is accepted, so the model selected in this study is the *common effect model* .

Panel Data Regression Analysis Test

Based on the results obtained from the *chow test* and *hausman test* that have been conducted, it can be concluded that the best model in this study is *the common effect model* (CEM). The following is the equation of the panel data regression model:

Table 9. of Panel Data Regression Analysis Test

Company Values	Coeff.	Std. err.	t	P> |t|	[95% conf	[Intervals]
Information Asymmetry	-.0041693	.0023296	-1.79	0.076	-.0087889	.0004504
Profit Quality	.0027764	.0005129	5.41	0.000	.0017592	.0037935
Company Values	Coeff.	Std. err.	t	P> |t|	[95% conf	[Intervals]
Tax Avoidance	.234883	.1042025	2.25	0.026	.0282455	.4415206
_cons	2.292099	.0425098	53.92	0.000	2.2078	2.376397

Stata Output Source 12, 2025

$$Y_{it} = 2.292099 - 0.0041693\ X_{1,it} + 0.0027764\ X_{2,it} + 0.234883\ X_{3,it} + eit$$

Based on the results of the equation above, it can be interpreted as follows:

1. The constant value obtained is 2.292099, indicating that if the variables X1, X2 and X3 are zero, then the disclosure value of variable Y is 2.292099.
2. The Information Asymmetry variable (X1) has a regression coefficient of -0.0041693. This shows that if the X1 variable increases, the Company Value variable (Y) decreases. This shows that Information Asymmetry has a negative relationship to Company Value.
3. The regression coefficient value on the Earnings Quality variable is 0.002776. This can be interpreted that if the Earnings Quality variable (X2) increases, the Company Value variable (Y) also increases. This shows that Earnings Quality has a positive relationship with Company Value.
4. The regression coefficient value on the *Tax Avoidance variable* is 0.234883, which means that if the *Tax Avoidance variable* (X3) increases, the Company Value variable (Y) also increases. This shows that *Tax Avoidance* has a positive relationship with Company Value.

Determination Coefficient Test (Adjusted R^2)

The determination coefficient test is conducted to show how much percentage of independent variables can explain their influence on Company Value as a dependent variable. R2 has a value ranging from 0 to 1, if the R2 value is close to 1 it means that Information Asymmetry, Earnings Quality and *Tax Avoidance* do very well to explain their influence on Company Value, and vice versa if the R2 value is getting closer to 0 then it is increasingly limited to explain its influence.

Table 10. Results Determination Coefficient Test (Adjusted R^2)

Number Of obs	F(3, 104)	Prob > F	R-squared	Adj R-squared	Root MSE
108	11.73	0.0000	0.2528	0.2312	.37627

STATA Output Source 12, 2025

Based on the results of the determination coefficient test, the R *squared value* is 0.2312, which means that the variables Information Asymmetry, Earnings Quality and *Tax Avoidance* can explain the Company Value variable by 23.12%. While 76.88% is influenced by other variables not tested in this study.

Simultaneous Significance Test (F Test)

The F test or simultaneous significance test is used to determine whether the explanatory variables, namely Information Asymmetry, Earnings Quality and *Tax Avoidance*, together (simultaneously) significantly influence the dependent variable of Company Value.

H4: Information Asymmetry, Earnings Quality and *Tax Avoidance* have a simultaneous effect on company value.

Based on the Common Effect Model (CEM) test presented in table 9 above, the results of Prob> F of 0.0000 are obtained, which means less than 0.05. It can be concluded that H4 of this study is accepted, namely, Information Asymmetry, Earnings Quality and *Tax Avoidance* simultaneously have a significant effect on Company Value.

Partial Test (T-Test)

Partial test is used to test the partial influence between independent and dependent variables. The results of the regression test can be said to have a partial influence if the significant value is <0.05.

Based on the results of the t-test in table 9. it can be concluded as follows:

H1: Information asymmetry has a significant negative effect on firm value.

Based on the test results, it can be seen that Information Asymmetry (X1) has a significant value of 0.076, which is greater than 0.05 and the coefficient value is -0.0041693. It can be interpreted that H1 of this study is rejected, namely Information Asymmetry does not have a significant effect on Company Value.

H2: Earnings Quality has a significant positive effect on Company Value

The significant value of the Earnings Quality variable (X2) is 0.000 where the value is smaller than 0.05, besides the coefficient value is 0.00227764. It can be concluded that if H2 of this study is accepted, namely Earnings Quality has a significant positive effect on Company Value.

H3: *Tax Avoidance* has a significant effect on Company Value

Tax Avoidance (X3) has a significance value of 0.026 where the value is less than 0.05, besides the coefficient value is 0.234883. It can be interpreted that H3 of this study is accepted, where *Tax Avoidance* has a significant effect on Company Value.

Simultaneous influence

Information Asymmetry, Earnings Quality and *Tax Avoidance* have a simultaneous effect on company value

Based on the research results, it shows that the variables of information asymmetry (X1), profit quality (X2) and *tax avoidance* together or simultaneously influence the company value (Y).

This can be proven by hypothesis testing which obtained a Prob>F value of 0.000 which means less than 0.05 which means that the company's value is influenced by information asymmetry, earnings quality and *tax avoidance* together. The results of hypothesis testing on the determination coefficient test denoted by Adjusted R-Square are 0.2312 or 23.12% which means that variable X (information asymmetry, earnings quality and *tax avoidance*) affects variable Y (company value) by 23.12%. While the remaining 76.88% is influenced by other variables not studied.

The results of this study indicate that if the company can implement optimal financial strategies and show quality financial reporting including profits to stakeholders so that there is no information gap between internal and external parties that can affect decision making in assessing a company. This will have a positive impact on the assessment so that it can increase the value of the company. This finding provides empirical evidence that these three variables have a simultaneous influence on firm value.

Partial influence

Information Asymmetry has a significant negative effect on Company Value

Based on the results of the partial t-test in table 11, Information Asymmetry (X1) does not have a significant effect on company value. Strengthened by a coefficient value of 0.0041693 and a significance of 0.076 which is greater than 0.05. This means that the company value of the food and beverage sub-sector manufacturing companies listed on the IDX is not influenced by information asymmetry but by other factors.

The findings of this study differ from several studies that state that information asymmetry can reduce or increase investor confidence and ultimately affect the value of the company. The difference in findings may be caused by several factors, such as the condition of the companies that are the samples of this study already have a good information transparency mechanism, through timely and complete financial reporting and information disclosure in compliance with regulations. This allows investors to still obtain sufficient information to make the right decisions even though in theory there is an information gap between managers and investors. In addition, there may be other variables that have a significant influence on the value of the company, such as profitability and *leverage* . Therefore, information asymmetry in this study is not a determining factor in influencing the value of the company.

The results of this study are in line with research conducted by (Wulandari1 & Eskasari Putri, 2023) and (Murti, 2024) showing that information asymmetry has no effect on company value. Not in line with research conducted by (Yasmin & Machdar, 2024) that information asymmetry has a positive and significant effect on company value, information asymmetry encourages management to provide important signals to investors, which can influence investment decisions, thus having a positive and significant impact on company value.

Profit Quality has a significant positive effect on Company Value

Based on table 11, Earnings quality (X2) has a significance value of 0.000 where the value is <0.05 which means there is an influence between earnings quality and company value. The earnings quality coefficient value is 0.0027764 which means that the increase in earnings quality also increases the company value. This means that increasing earnings quality can increase the company value.

Earnings quality is the clarity of earnings information presented by company management to the public. This information is used by investors to assess the company and reflects the extent to which the profit can influence decision making (Rahyulia et al., 2024) . This can be interpreted that the higher the quality of reported earnings, the greater the trust of investors and creditors in the company's performance, because it will help them in making the right decisions. If the profit information presented does not reflect the actual conditions, it can reduce the level of investor trust in the company.

Quality profit information will provide confidence to investors and other stakeholders that the company has healthy financial performance and bright future prospects. This can encourage positive reactions to the profit information provided so that it can increase the company's value.

The results of this study are in line with the research conducted by (Wati et al., 2024) and (Kurniawan et al., 2021) showing that earnings quality has a significant positive effect on company value and contradicts the research (Rahyulia et al., 2024) because the $_{\text{calculated t}}$ of 0.675 is greater than the t $_{\text{table of}}$ 1.674 and the probability value is greater than 0.05. The results of the study state that there is no effect of earnings quality on company value, because the percentage of earnings quality in a company is relatively small and earnings quality is influenced by fluctuating stock prices, stock price instability can cause profits to decrease or even lose so that earnings quality is not strong enough to significantly affect company value.

***Tax Avoidance* has a significant effect on Company Value**

Based on table 11, *Tax Avoidance* (X3) has a significant effect on company value, has a significance value of 0.026 which means the value is less than 0.05 and a coefficient value of 0.234883 which means the direction of the relationship between *tax avoidance* and company value is positive.

The results of this study indicate that *tax avoidance* has a positive effect on company value, meaning that the higher *the tax avoidance* , the higher the company value. *Tax avoidance* is a strategy carried out by companies to minimize their tax burden legally, if managers carry out tax avoidance optimally, this action can provide company benefits.

Increased income from strategies carried out by managers can increase investor confidence and positive views that can attract market interest in the company so that this can affect the increase in company value. This study is supported by research (Anisran, and Ma'wa 2023) that tax avoidance has a positive effect on company value.

The results of this study are also in line with research conducted by (Ramadhani et al., 2023) with a t statistic of the *tax avoidance variable* of 92.410671 with a probability level of 0.0175 which means less than 0.05 which means there is a significant positive effect between tax avoidance and company value. The results of this study state that *tax avoidance* is seen as a form of transferring wealth from the state to the company, so that it can increase the value of the company. This study is in contrast to research conducted by (Yohanto & Jenni, 2023) reinforced by a significance value of 0.880 more than 0.05 which can be concluded that *tax avoidance* has no effect on company value. According to this study, *tax avoidance* is considered an expense that can reduce net profit, although this action can also increase net profit, this action does not necessarily increase the value of the company directly.

CONCLUSION

Based on the results explained previously, the following conclusions can be drawn:

1. The variable Asymmetry of information has no effect. This indicates that the inequality between internal and external parties does not necessarily affect investor decisions in determining the value of a company which ultimately affects the decrease or increase in the value of the company, especially the companies that are samples in this study.
2. The variable of earnings quality has a significant positive effect on the company's value. This is because quality earnings information from internal parties can support decision making and encourage positive reactions from external parties so that it can increase trust and increase the company's value.
3. *Tax avoidance* variable has a significant positive effect on company value. Optimal tax avoidance strategy provides company benefits and positive reactions that can attract market interest in the company so that this can affect the increase in company value.
4. Information asymmetry variables, earnings quality and *tax avoidance* have a simultaneous effect on company value. If the company can implement an optimal financial strategy and show

quality financial reporting including profits to stakeholders so that there is no information inequality, this can affect decision making in assessing a company which will have a positive assessment impact so that it can increase the company's value.

REFERENCES

Reference from book:

Agoestina, & Mappadang. (2021). *The Effect of Tax Avoidance and Earnings Management on Firm Value* (RNB and E. Ssfitry (ed.); 1st ed.). CV. Pena Persada.

Gunadi. (2007). *International Tax* . Publishing institution of the Faculty of Economics, University of Indonesia.

Hery. (2018). *Financial Report Analysis. Grasindo* . PT. Grasindo.

Indrarini, S., & Lestari Sukartiningsih, L. (2022). *Good Corporate Governance Profit Quality and Company Value* (F. Andriansyah (ed.); 1st ed.). CV. Literasi Nusantara Abadi.

Ningrum, EP (2022). *COMPANY VALUE (Concept and Application)* (Kodri (ed.); 1st ed.). Adab Publisher. web: http://www.PenerbitAdab.id

Sugiyono. (2020). *Quantitative, Qualitative, and R&D Research Methods* (M. Sutopo., Dr. Ir.S.pd (ed.); 2nd ed.). ALPHABET.

Reference from scientific journals:

Anggita, N., & Stiawan, H. (2023). The Effect of Tax Avoidance, Capital Structure and Company Size on Company Value (Empirical Study of LQ-45 Companies Listed on the IDX in 2017-2021). *Journal of Accounting and Finance* , *2* (2), 153–160. https://doi.org/10.54259/akua.v2i2.1617

Anisran, M. (2023). The effect of tax planning & tax avoidance on company value with company transparency as a moderating variable. *Trisakti Accounting Journal* , *10* (September), 305–318. https://doi.org/http://dx.doi.org/10.25105/jat.v10i2.17104

Astuti, TP, Hanim, W., & Sugihyanto, T. (2023). Analysis of Factors Affecting Company Value in the Food and Beverage Industry. *Journal of Accounting* , *19* (01), 10–21. https://doi.org/http://dx.doi.org/10.24217

Azari, TMR, & Fachrizal. (2017). The Effect of Information Asymmetry, Profitability, and Leverage on Company Value in Manufacturing Companies Listed on the Indonesia Stock Exchange for the Period 2012-2014. *Journal of Accounting Economics Students (JIMEKA)* , *2* (1), 82–97.

Kurniyawati, I. (2019). The Influence of Accounting Conservatism and Good Corporate Governance on Information Asymmetry. *Journal of Accounting* , *Volume 4* (1, February 2019), 981–1006. https://doi.org/10.30736/jpensi.v4i1.221

Lisa, IR, & Winedar, M. (2023). The Effect of Tax Planning and Tax Avoidance on Company Value (Case Study of Manufacturing Companies Listed on the IDX in 2018-2020). *Soetomo Accounting Review* , *Volume 1*, (4), 535–549.

Margie, LA, & Melinda, M. (2024). The Influence of Green Accounting, Sales Growth and Tax Avoidance on Company Value. *Revenue Journal: Scientific Journal of Accounting* , *4* (2), 594–607. https://doi.org/10.46306/rev.v4i2

Mezi Rahyulia, Gustia Harini, MS, & Erita, MP . (2024). The Effect of Dividend Policy, Earnings Quality and Audit Opinion on Company Value in the Main Financial Sector on the Indonesia Stock Exchange for the 2018-2022 Period. *Journal of Economics and Business* , *2* (2), 291–302.

Murti, R. &. (2024). *The Influence of Investment Decisions, Funding Decisions, Information Asymmetry, and Profitability on Company Value (Case Study of Infrastructure Sector Companies Listed on the Indonesia Stock Exchange for the 2018-2022 Period)* . *11* (6), 6026–6036.

Nofianti, N., Mulyasari, W., & Ramadhina, A. (2023). The Effect of Accounting Prudence on Company Value with Earnings Management and Information Asymmetry as Intervening Variables. *Hospitality Scientific Journal* , *12* (1), 323–334.

Rahmat Wahyudi1, Resyelly Viona2, Putri Nadia3, LY (2024). The Effect of Accrual Earnings Management with the Revenue Discretionary Model Approach and Earnings Quality on Company Value in Manufacturing Companies Listed on the IDX in 2015-2019. *Journal Of Social Science Research Volume* , *4* (3), 16554–16564. http://repository.upiyptk.ac.id/id/eprint/7161%0Ahttp://repository.upiyptk.ac.id/7161/2/SKRIPSI_IWAN KURNIAWAN_17101155110275_BAB I.pdf

Rina Yuniarti, & Pedi Riswandi. (2020). The Influence of Earnings Management on Company Value. *Pamator Journal* , *13* (1), 134–139. https://doi.org/doi.org/10.21107/pamator.v13i1.6953

Saharaa, NF, & Anggraini, A. (2024). The Effect of Dividend Policy, Earnings Quality, and Corporate Social Responsibility on Company Value. *Journal of Financial and Business Accounting*, *2* (2), 599–605. https://jurnal.ittc.web.id/index.php/jakbs/index

Saputro, REC, & Hermanto, SB (2018). The Influence of Corporate Governance Mechanisms, and Earnings Quality on Company Value. *Journal of Accounting Science and Research* , *7* (8), 1–25.

Tjahja, SA, & Lindrawati. (2024). Information Asymmetry, Corporate Social Responsibility, and Intellectual Capital on Company Value. *Journal of Business Management and Finance* , *5* (2), 249–260. https://doi.org/https://doi.org/10.51805/jmbk.v5i2.211

Wati, PDA, Novitasari, NLG, & Dewi, NLPS (2024). The Effect of Managerial Ownership, Leverage, Liquidity, Earnings Quality and Institutional Ownership on Company Value in Manufacturing Companies on the Indonesia Stock Exchange in 2020 - 2022. *Collection of Accounting Student Research Results (KHARISMA)* , *6* (2), 546–555.

Wulandari1, A., & Eskasari Putri. (2023). *The Effect of Firm Size, Asymmetric Information, Profitability, and Leverage on Firm Value (Empirical Study of Manufacturing Companies Listed on the Indonesia Stock Exchange in 2017-2021)* . *3* , 3369–3383.

Yasmin, M., & Machdar, NM (2024). The Effect of Accounting Conservatism, Information Asymmetry, and Opportunistic Behavior on Company Value with Dividend Policy as an Intervening Variable. *Journal of Accounting Science Pearls (JUMIA)* , *2* (2), pp. 43-56. https://doi.org/https://doi.org/10.55606/jumia.v2i2.2478

Yohanto, Y., & Jenni. (2023). The Effect of Tax Avoidance, Profitability, Liquidity, and Capital Structure on Company Value (Empirical Study on Manufacturing Companies in the Food and Beverage Subsector Listed on the Indonesia Stock Exchange in 2019-2022). *ACCOUNTING JOURNAL* - , *2* (2), 1–16. https://jurnal.ubd.ac.id/index.php/ga