

## CHAPTER V

### CONCLUSION

#### 5.1. Conclusion

Based on the analysis and discussion in this research, the results have the following conclusions, as follows:

1. Internet Financial Reporting (IFR) has a negative and significant influence on the frequency of company's stock trading. It appears that the frequency of company's stock trading is influenced by the IFR. The Food and beverage companies who adjust the IFR in their business activities have a higher stock trading frequency compared to the companies who do not implement IFR. The result is also associated with the Efficient Market Hypothesis that states the investors will react quickly to the new information on the market and it will affect the stocks immediately.
2. Level of disclosure of website-based information has a positive and significant effect on the frequency of company's stock trading. It could be said that, the greater the degree of financial and non financial information disclosed by the food and beverage companies listed in IDX for the period of 2012 – 2015, the more likely it will affect the investment decision made by the investors. The result is associated with the signaling theory that states when the manager already convinced that the company have a good prospect, and has a desire to raise the stock

prices, they will communicate it to the investors by giving signal. The signal given to the investors includes the complete information of the company. Thus, more information disclosed in the website, will attract investors to invest, which also will increase the frequency of company's stock trading.

## **5.2. Limitation of Research**

The author have found some limitation when conducted this research.

Some of the limitations are the following:

1. The research only focuses on the food and beverage sector of consumer goods industry, which means it only obtain and examine the topic in one industry.
2. The research only uses secondary data.
3. The period of this research is limited, with only 4 years.
4. The research only examines and investigates the influence of Internet Financial Reporting and distribution of information through website to the frequency of stock trading. Meanwhile, there are more to see on the effect of Internet Financial Reporting to the market, such as the volume of stock trading, stock prices, and etc.

## **5.3. Suggestion**

### **A. For the companies**

Based on the conclusion above, the suggestions that author can give to the company are, as follows:

1. Companies should improve in term of the use of Internet Financial Reporting (IFR) practice in operations activity.

2. Companies should update or improve their financial and non-financial information on their website consistently, in order for the investors to know the progress of their financial performance.

B. For future researches

The result of this research is expected to improve and become references to conduct further research in the future, some suggested things to be developed in further research are as follows:

1. For the future research can conduct the study in a different sample of sector or industry to know and determine the effect of Internet Financial Reporting (IFR) and degree of information disclosed on the frequency stock trading in a different field.
2. The next research project can try to use a different dependent variable that has a relation with Internet Financial Reporting and disclosure of information, such as the volume of company's stock trading, stock prices, in order to create and found varieties of result.

