LEMBAR
HASIL PENILAIAN SEJAWAT SEBIDANG ATAU *PEER REVIEW*
KARYA ILMIAH : JURNAL ILMIAH

Judul karya ilmiah (artikel)	:	Determinants of Financing Decision: Empirical Evidence On Manufacturing Firms In Indonesia; Sutomo, Sugeng Wahyudi, Irene Rini Demi Pangestuti, **Harjum Muharam**
Jumlah Penulis	:	4 Orang
Status Pengusul	:	Penulis ke 4
Nama Penulis	:	**Dr. Harjum Muharam, S.E., M.E.**

Identitas Jurnal Ilmiah	:	a.	Nama Jurnal	:	Investment Management and Financial Innovations
	:	b.	Nomor ISSN	:	1812-9358
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	:	e.	DOI artikel (jika ada)	:	http://dx.doi.org/10.21511/imfi.16(2).2019.14
	:	f.	Alamat web jurnal	:	www.businessperspectives.org https://businessperspectives.org/journals/investment-management-and-financial-innovations/issue-319/determinants-of-financing-decision-empirical-evidence-on-manufacturing-firms-in-indonesia
	:	g.	Terindeks di scimagojr / Thomson Reufer ISI knowledge atau di nasional / terindeks di DOAJ, CABi, Copernicus	:	Q.3, SJR 2020 0,21, H-Index 18

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Semarang, 04 Oktober 2021

Reviewer 1

Prof. Dr. Suharnomo, SE, M.Si
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	:	f.	Alamat web jurnal	:	www.businessperspectives.org https://businessperspectives.org/journals/investment-management-and-financial-innovations/issue-319/determinants-of-financing-decision-empirical-evidence-on-manufacturing-firms-in-indonesia
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d. Kelengkapan unsur dan kualitas penerbit (30%)	12					12
Total = (100%)	**40**					**37,2**
Nilai pengusul = 0,4/3						

KOMENTAR / ULASAN PEER REVIEW	
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Determinants of financing decision: Empirical evidence on manufacturing firms in Indonesia

Sutomo, Sutomo[a]; Wahyudi, Sugeng[b]; Demi Pangestuti, Irene Rini[b]; Muharam, Harjum[b]
Save all to author list

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Abstract

This study aims to contribute to the emergence of the literature focusing on exploring the factors influencing the financing decision, as well as examining the relationship between the firm size, profitability and firm growth towards the corporate debt. Questions such as how relevant firm size, profitability and firm growth to debt are, quantitatively, had not been fully answered in the business literature. The purpose of this study is to fill this large gap by examining the role of the firm size, profitability, investment and firm growth for the corporate debt. This study tries to examine the determinants of debt in the financial literature which include size, growth, business risk, and profitability in accordance with the capital structure theory, in manufacturing firms in Indonesia. The sample contained financial data from 150 firms for the period 2012–2017. The results showed that the manufacturing firms in Indonesia had high debt levels, especially the size, profitability, firm growth and profitability had proven to be the debt determinants, which also confirmed the Pecking Order Theory. This study also found that the management preference of manufacturing firms in Indonesia for risk was the risk-seeker or risk-neutral ones. This finding implies that the choice of funding sources originating from debt still provided greater returns compared to the capital cost needed due to business uncertainties.

Author keywords

Business risk; Firm growth; Firm size; Leverage; Pecking Order Theory

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Issue #2 (Volume 16 2019)

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Articles 32

91 Authors 214 Tables 41 Figures

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Articles 32

91 Authors 214 Tables 41 Figures

Articles 32

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Investment Management and Financial Innovations
Volume 16, 2019 Issue #2 pp. 150-158

Determinants of financing decision: empirical evidence on manufacturing firms in Indonesia

Sutomo Sutomo, Sugeng Wahyudi, Irene Rini Demi Pangestuti, Harjum Muharam
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Investment Management and Financial Innovations
Volume 16, 2019 Issue #2 pp. 159-170

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Investment Management and Financial Innovations
Volume 16, 2019 Issue #2 pp. 171-181

The effect of internal control environment on the value relevance of earnings

Hyun-Ah Lee
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DETERMINANTS OF FISCAL POLICY BEHAVIOR IN NIGERIA

Abstract

The study investigated the factors that determine fiscal behavior in Nigeria. The vulnerability of fiscal policy framework in Nigeria to different shocks and the attendant effects on the behavior of fiscal policy are parts of the reasons that prompted this research work. Annual data between 1980 and 2015 on core fiscal variables such as government revenue, government expenditure, fiscal balance, public debt, as well as other variables such as oil price, exchange rate, and inflation rate commodity price among others, are used. The Auto-Regressive Distributed Lag ARDL estimating technique is used to analyze both the long-run and short-run effects of these variables on fiscal behavior in Nigeria. Findings from the study show that fiscal policy in Nigeria is highly vulnerable to shocks from these variables mostly in the short run. Notwithstanding, variables like government revenue, government expenditure, regime of administration, oil price and commodity price volatilities all have sustained effects till the long-run periods. It was discovered that oil price movements is not the only external factor that has pronounced effects on fiscal behavior, but commodity prices volatility generally constitutes an important influential factor in determination of fiscal policy behavior in Nigeria.

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INTRODUCTION

Over the years, the behavior of fiscal policy practiced in Nigeria has been in form of deficit. The idea behind this form of fiscal policy has been to expand government activities in the economy by increasing investment and thereby creating job opportunities for the citizens. The increase in government expenditure which is a major factor resulting in fiscal deficit has been on the rising trend since 2005. For instance, during this period, the expenditure of government rose to 19% of the GDP from 14 % that it was in 2000; it also rose further from 19% in 2005 to about 25% in 2012 before reaching its current position of almost 30% of the GDP in 2017. The implication of this has been the upward movement of the public debt of the country. The resultant effect of this was the accumulated public debt stock moving from 88% of the GDP in the 1980s to about 96% of the GDP in the 90s. Also, between 2010 and 2017, the stock of debt has increased to 91 per cent of GDP from 45 per cent in 2009 (World Bank, 2018).

Within the last two decades, there has been a relatively increase in the government indebtedness in Nigeria. Apart from the issue of poor quality of public expenditure, the government have failed to save the excess crude oil revenue realized from oil windfalls to cushion the pressure on government expenditure. This is very critical to ensuring sustainability in government expenditure that is consistent with the absorptive capacity of the economy. There has been immense increase in government expenditure, primary deficit and debt in Nigeria within the period 1996–2012 and this has continued till date (Obinyeluaku, 2009).

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THE IPO INITIAL RETURNS-AFTERMARKET RISK QUESTION REVISITED: EVIDENCE FROM FIRMS IN TAIWAN

Abstract

The purpose of this study is to utilize the Three Stage Least Squares (3SLS) of the simultaneous equation estimation approach to revisit the possible cross relationship between IPO initial returns and aftermarket risk. A structural form equation system of IPO initial returns and aftermarket risk equations is estimated first to obtain the structural form coefficients. The analytically derived reduced form coefficients are then calculated to analyze the net effects of each exogenous variable on two endogenous variables. Major findings of this study are as follows. First, the signs of net effects of all exogenous variables on IPO initial returns and aftermarket risk are the same. In other words, any change in exogenous variables, IPO initial returns and IPO aftermarket risk will change in the same direction, i.e., the higher (lower) the IPO initial returns, the higher (lower) the IPO aftermarket risk. Second, the less the degree of corporate governance, the higher the IPO initial returns and aftermarket risk. Third, the higher the market risk or return before IPO, the higher the IPO initial returns and aftermarket risk.

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INTRODUCTION

The abnormal returns of initial public offerings (IPO) or the so-called IPO initial returns have always been one of the most popular areas heavily studied by finance academics. Two major hypotheses, the asymmetric information and the market overreaction hypotheses, of the IPO initial returns have been proposed in most literature. The hypothesis of asymmetric information states that IPO initial returns are resulted from asymmetric information between/among underwriters, IPO companies, and investors (Baron, 1982; Rock, 1986; Chalk & Peavy, 1987; Carter & Manaster, 1990; Gompers, 1996; Welch, 1989; Ma & Hu, 2003). The market overreaction hypothesis argues that IPO initial returns are consequences of IPO aftermarket overreaction, price stabilization policy of the underwriters, and effects of speculation bubbles (Ritter, 1984; Rock, 1986; Booth & Smith, 1986; Aggarwal & Rivoli, 1990; Chemmanur, 1993; Ruud, 1993; Chowdhry & Nanda, 1996; Cassia et al., 2004; Ma & Hu, 2003; Peng & Wang, 2007). Among these, the aftermarket risk is found to have positive impact on IPO initial returns (Ritter, 1984; Aggarwal & Rivoli, 1990; Ruud, 1993; Chowdhry & Nanda, 1996; Cassia et al., 2004; Peng & Wang, 2007).

By contrast, Sherman (2005) focused on how IPO initial returns affect the aftermarket price fluctuation. Theoretical derivation found that if a country switches from auctions to bookbuild IPOs, underpricing is expected to increase, but because more information is produced in the

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