THE ANALYSIS OF EXCHANGE RATE STANDARD IMPACT ON LOPID FCT.

(A Case Study at PT. Warner Lambert Indonesia)

A THESIS

Presented as Partial Fulfillment of the Requirements to Obtain the Bachelor Degree in Accounting Department

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YOGJAKARTA

2003

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On April 24, 2003

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ACKNOWLEDGMENTS

All the praises go to Allah, the Cherisher and Sustainer of the world, the Creator, and the Owner of everything, simply because only by His goodwill and permission this thesis entitled **"The Analysis of Exchange Rate Standard Impact on Lopid Fct.** presented as a partial fulfillment of the requirements to obtain a bachelor degree in Accounting Department, can be completely finished. There is no single word that can be best expressed except: **Alhamdulillah.**

First of all, I would like to express my gratitude to Mr Arief Bachtiar, Drs,MSA,Ak.,as my content advisor, for his patience and his comprehensive and constructive advises on my thesis. My gratitude also goes to my language advisor, Dyah Setyowati Ciptaningrum, S.Pd., for her help in correcting the language of my thesis and her support in finishing my thesis soon. Next, I would like to thank Mr. Soewarsono Muhamad, the dean of the faculty of economics, for his question: "when will you leave this campus?", that had encouraged me to carry out my duty as a student and to finish my study soon.

Then, to Mr. Teguh Pantjatmono, Mr. Hendryadi Sudjana and Mr. Andi wahyu Daryanto as the finance managers and Costing Analyst, and also to other staffs of PT. Warner Lambert Indonesia, I would like to thank you all for the permission to do this research at their office. I really appreciate your assistance and cooperation and also for being generous to me.

My special thanks go to all my friends in Jogja and Jakarta. All **HMIes** (our togetherness and learning process inspiring me to choose "guidance" for my future steps of life and sorry for leaving you all soon). **DPM** crew,("you are great partners guys" thanks for giving me the "break time" to do my thesis). **FKiM** (the hikmah behind the "cancellation" of my theses was met and had a process with all of you guys....thanks, it was nice). **Pondok Pak Jon** (Syalala, thanks for the spirit, discussions and the friendship; Bu'de, your "success" has encouraged me; Popo, "kakak cilako!!wake up!", that scream pushed me to do my theses; Co'e, thanks for your computer, room, and your patient in being my study companion; Reny, hi…my bad habits are on you now; Belel, C'mon…finish your theses and reach your dream; Bon2,Eta,Zurip,Cenul,Ika,Ria and Kokom, guys…the door facilities given to me were really supported my campus life, thanks a lot. **"DHL" and Ambar**, you are really my sisters, I will keep all of your kindness and support in my heart. **"Piggies Plus"** thanks for cheering me up when I got stuck on the theses, each of you was unique….it brightens up my days. **Sinta,** your phone call "open up" my mind. **Sesti and Miing,** I don't know how to pay all of the things given to me, enough with the "honey-bear**".Ginda**, sorry for "the approval things".**Indri**, go girl…do your theses. **Gank Tandingan" Desi and Lili,** Sorry if I made all of you busy regarding my theses and 'compre' stuff…and thanks for the advice.I'll miss u. **Accounting class of 99',00' and 01'**, my interaction with you has broadened my insight. **Ex 21**, thanks for the books, library card and the discussions…we will meet again guys. **Dormitory Girls,** thanks for accepting me among all of you and always reminding me to prepare for the exam. **"Bedul and Abdul",** thanks for the "approval sign".**Mbak Nafa,** thanks for all your information and your willingness to give me the "tutorial". **PGM finance crew,** the last days of my theses were with you guys, thanks for the opportunity.

And last but not least, I want to thank my family (Mom, Dad, Mas Andi, Mbak Reny, Ayu and Jihan), you are the best of mine; Raka, "thanks"; and my entire classmates that I cannot mention one by one ("really wanna be an accountant?"☺). There is only one thing I would like to say to you all: please do not be hesitate to contact me. I hope we can still be friends. Therefore, please use actively our own email to keep us always be in touch.

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ABSTRACT

Trisnawati, Siska (2003). **The Analysis of Exchange Rate Standard Impact on Lopid. Fct. (A Case Study at PT Warner Lambert Indonesia).** Accounting Department. International Program. Faculty of Economics. Islamic University of Indonesia

In the global business environment, international transactions become very common. The most frequent international transactions activities are export and import. At the manufacturing company, those selling and buying activities will be closely related with all the things regarding product cost and cost of sales. In the standard cost model, all of the cost element will be set at the standard number, for instance, the cost of materials, labor and overhead. Even, especially in the multinational company, there is a special standard for exchange rate. In the condition of fluctuating exchange rate, this standard, of course, will bring an impact.

This research, is a case study that was done in PT. Warner Lambert Indonesia, located in Cimanggis, Bogor, West java. It is a multinational company, which Head Quarter is in New York and operating in the pharmaceutical field. For the need of its international transactions, head Quarter sets an Exchange Rate Standard for each of its worldwide branches. The objective of this research is to analyze the impact of the standard toward the product cost, cost of sales and the company profit, and also the compliance of the international transaction practices to Indonesia standard (PSAK no.10 about Transaction in Foreign Exchange).

Based on the result of the research, Exchange Rate Standard has a big impact, especially in the payment of liabilities, receive of account receivables (the impact to the gain and loss), the effects from standard cost variance (the impact to the product cost and cost of sales), and also the impact to the inventory value. It can also be concluded that the practices of international transactions done by PT. Warner Lambert Indonesia comply with PSAK no. 10.

ABSTRAKSI

Trisnawati, Siska (2003), **Analisa Pengaruh Dari Standar Nilai Tukar Mata Uang Pada Produk Lopid FCT. (Studi Kasus Pada PT. Warner Lambert Indonesia).** Jurusan Akuntansi. Program Internasional. Fakultas Ekonomi.Universitas Islam Indonesia

Dalam lingkungan bisnis global, transaksi-transaksi internasional menjadi sangat lazim. Kegiatan transaksi internasional yang sangat sering dilakukan adalah transaksi ekspor dan impor. Pada perusahaan manufaktur, kegiatan jual dan beli tersebut sangat erat kaitannya dengan segala hal tentang biaya produksi dan biaya penjualan. Pada model biaya standar, setiap elemen biaya akan ditetapkan pada angka standar, seperti biaya bahan baku, tenaga kerja dan overhead, bahkan khususnya untuk perusahaan multinasional, terdapat standar khusus untuk mata uang. Dengan kondisi nilai tukar mata uang yang sangat berfluktuasi, Standar ini, tentu saja membawa pengaruh tersendiri.

Penelitian ini, adalah sebuah studi kasus yang dilaksanakan pada PT. Warner Lambert Indonesia yang berlokasi di Cimanggis, Bogor, Jawa Barat. Ini adalah sebuah perusahaan multinasional yang berkantor pusat di New York dan bergerak di bidang farmasi. Untuk kebutuhan transaksi internasionalnya, kantor pusat menetapkan standar tukar mata uang untuk kantor cabang di seluruh dunia. Tujuan dari penelitian ini adalah untuk menganalisa pengaruh-pengaruh atas standar nilai tukar mata uang terhadap biaya produksi dan penjualan serta laba perusahaan, juga menilai kesesuaian praktek transaksi internasional tersebut dengan PSAK no. 10 (Transaksi Dalam Mata Uang Asing).

Berdasarkan hasil penelitian, standar tukar mata uang asing sangatlah berpengaruh,khususnya dalam hal pembayaran utang dan penerimaan piutang (pengaruh terhadap untung dan rugi), efek dari varian-varian biaya standard (pengaruh terhadap biaya produksi dan penjualan), serta pengaruh terhadap nilai persediaan. Dan dapat disimpulkan bahwa praktek transaksi internasional yang dilakukan oleh perusahaan sesuai dengan PSAK no. 10.

CHAPTER I

INTRODUCTION

1.1. Study Background

This research began with an internship program at PT. Warner Lambert Indonesia, a manufacturing company producing pharmaceutical products, located in Cimanggis, Bogor, West Java, for about three months. It is a multinational company with head quarter ~~is~~ in New York, USA. It's world-wide characteristic generating many special treatments in the business operation, and that is explored by this research.

Further discussion about the operational of the business is that the foreign operations are subsidiary, associates, joint venture or branch that the activities are done in a country outside the head quarter (parent company's country).Those foreign operations can be recognized as an integral part of head quarter or as a foreign entity. Branch activities are quite closer planned, administered, and controlled by the head quarter than the activities of subsidiaries, where it has a greater degree of autonomy.

As above characteristics mentioned, foreign business activities of the company record a significant international transactions (import and export activities). International transactions are the basic buying, selling, and financial activities of a business entity. Included in this category are activities such as importing, exporting, foreign borrowing, foreign lending, and taking out forward contracts. An important first consideration is what makes a transaction an "international transaction?" Although one might think that the most important factor to qualify a transaction as international is the foreign domicile (location) of one party to the transaction, this is not so. Instead, the most important qualifying factor is the denomination of the currency of the transaction. If the transaction currency is other than that of the domestic firm, the transaction qualifies as international from accounting standpoint.

More over, business process in the manufacturing company starts from the availablity of raw materials until it is converted into finished goods and ready to be sold, many factors involved to support the effectiveness and the efficiency of that. Cost element is the vital part of that. In the study of cost accounting, it will deal with the study of standard cost that has a definition of " *standard cost is the cost arranged at the beginning of a unit(s) production for a certain coming period and it is an estimated cost for a production in the condition of current operation nor which is anticipated.*" or *Standard is a carefully predetermined amount and usually expressed on a per unit basis.* In standard cost system, all amounts incurred on the business process will be calculated, starting from the cost of acquiring materials, cost of converting that into finished goods and also the amounts incurred until it is available for the consumer based on standard set. Since it is a benchmark of performance measurement, the budgeted cost will be compared to the actual amount, and every difference of that is recognized as a variance.

Regarding the previous explanation about the characteristic of multinational corporation, since each country has its own currency while the operation of the business is beyond that, one of the main factor appear is the issue related with currency that is not stable. It is fluctuating following some factors influencing that, such as: the country's economic and political condition. In costing, a large amount of variance incurred because of the currency problem. And as an anticipation, head quarter (PT. Warner Lambert NewYork) sets Exchange Rate Standard (for the purpose of the stabilization of inter-affiliates transaction). Of course, in setting the standard, the market rate becomes the basis of consideration. Exchange Rate Standard can also be defined like a kind of hedging in term of an action done to protect a company from the exposure of exchange rate fluctuation. Exchange Rate Standard becomes very essential because of the big volume of international transactions (to and from affiliates). It is a transaction of the buying and selling of materials, covering raw materials, packing materials, bulk, semi finished goods and also finished goods. For example, when PT.Warner Lambert Indonesia imports some active materials from other affiliates, especially for the high import content product, such as gembifrozil powder for Lopid FCT. And also as mentioned before, the unstable condition of Exchange Rate Standard itself will affect the value or amount of other components (quantitatively shown in the financial report).

Regarding the statements and many considerations about the benefit and useful information from the observation, the researcher gives this proposal a title: "THE ANALYSIS OF EXCHANGE RATE STANDARD IMPACT ON LOPID FCT., A CASE STUDY ON: PT. WARNER LAMBERT INDONESIA"

1.2. Problem Identification

The problem identified on this research is the impact of Exchange Rate Standard changes on Lopid FCT product.

1.3. Problem Formulation

Based on the explanation in the background of the study, the main problems which can be stated here are:

1. How are the procedures of international transactions (to and from affiliates and from third party) on Lopid FCT product
2. What is the impact of Exchange Rate Standard changes toward Cost of Good Sold, inventory, and product margin?
3. How is the accounting treatment of those? And does it comply with the Indonesia standard (PSAK)?

1.4. Restriction/ Limitation of Research Area

1. This research will be emphasized on the period of March 2002 for changes analysis and the 2nd quarter of 2002 (March-May) for the trend of changes.
2. International transactions to be observed are the export of finished goods (Lopid Fct. Product) and the import of active materials (bulk of Gemfibrozil powder and Starch Corn Pregelatine Zed)
3. The component of CGS which will be considered is from imported material

4. The standards to be considered are PSAK No. 10 (Foreign Currency Transaction)

1.5. Research Objective

This research is intended to:

Understand and analyze the procedures of international transactions and the impact of Exchange Rate Standard changes on Lopid FCT toward CGS, inventory, product margin, and also the compliance of the accounting treatment of those to Indonesia standard (PSAK).

1.6. Research Benefits

The benefits that can be obtained from this research are outline below:

1. This research will be useful for the researcher in giving understanding about the procedures of international transactions and the impact of Exchange Rate Standard changes toward CGS, inventory, product margin, and also the compliance of those to Indonesia standard (PSAK)
2. This research is considered as a part of academic final assignment for researcher in order to fulfill the academic prerequisite to get the degree of economic bachelor in the Faculty of Economic, Islamic University of Indonesia.
3. This research result might become an input for PT. WARNER LAMBERT INDONESIA to improve the management control and also to know whether its operations have already been complying the accounting

solution and implication of the problems that are going to be solved.

1.8.2. Research Subject

The subject of this research is one of PT. WARNER LAMBERT INDONESIA's product, that is Lopid Fct.

1.8.3. Research Setting

This study takes place at PT. Warner Lambert Indonesia, located in Cimanggis, Bogor, West Java.

1.8.4. The Data Sources

1.8.4.1. General Data

a. Company profile

b. Organizational structure and job description

c. Company accounting manual

1.8.4.2. Specific Data (relate to the data needed in accordance to Exchange Rate Standard impact).

a. Production flow

b. Material consumption on Lopid FCT.

c. Export sales of Lopid FCT

d. Summary of inventory

e. Inventory control

f. Cost of Good Sold Analysis on March-May 2002 of Lopid FCT product

1.8.5. Data Collection Methods

1.8.5.1. *Literature method*:

This method is used to get an understanding of accounting standard and other theories related to the topic.

1.8.5.2. *Internship*

This research began with an internship process, the researcher stayed in the company for 3 months. For the purpose of gathering data needed in this research, the process of interview and discussion were done. Interview process was done through questions & answers directly with the competent departments / parties. The discussion process was the exchange of knowledge between the researcher and the competent parties in the company. The topics in that processes are about: primary jobs of each departments involved in the researched system, general accounting procedures, international transaction procedures, and those related to Exchange Rate Standard impact. This internship process also as a learning process to apply the theories acquired into practices, specially on costing and international accounting. Other activities done during the internship are: regular cycle count (counted the inventory in the warehouse manually), reconciled: inventories, account payables and fixed assets, made the list of tickets (cash disbursement), made invoices, translated the comments on budget, made input of: sales, Good Receive Note from distributors, and other administrative jobs, such as: filing, photo copying, sending fax and sending tax report to tax office. All of those activities gave its own benefit to the researcher, specially in improving the capabilities in accounting field.

1.8.6. Technique of Data Analysis

After all data were obtained, they were then analyzed. The steps that are going to be conducted are:

1. Describing the procedures of international transactions
2. Analyzing the detail flow of Exchange Rate Standard changes impact to the changes on CGS, inventory and product margin.
3. Comparing the procedures of those applied to the Indonesia standard (PSAK)
4. After the analysis was complete, arranging and writing the report of the analysis were done and added several inputs or suggestions to the company.

THESIS CONTENTS

CHAPTER I Introduction

This chapter will discuss about study background, problem Identification, problem formulation, problem limitation, research objective, research benefit, definition of terms, research method and thesis contents.

CHAPTER II Review of Related Literature

This chapter's contents are theoretical review and theoretical framework. The discussions are about multinational corporation concept, international transactions, currency, cost concepts, variance analysis, and also the financial accounting standard.

CHAPTER III Company profile

This chapter will discuss about the history of company and organizational structure.

CHAPTER IV Research Method,Findings, Discussion, and Implications

This chapter will discuss about the research description, research findings and implications. It will analyze the impact of Exchange Rate Standard changes toward Cost of Good Sold and product margin, sales, inventory value and also the compliance to the local standard done by PT. WARNER LAMBERT INDONESIA

CHAPTER V Conclusion and Implication

This chapter will conclude the result of research.

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M.E. Porter proposes, that multinational operate in world industries that vary on a continuum from multi domestic to global. Multi domestic are specific to each country or group of countries and usually are collections of essentially domestic industries, such as retailing and insurance. The activities in an MNC's subsidiary in this type of industry essentially are independent of the activities of the MNC's subsidiaries in other countries. In each country, the MNC tailor its product or services to the specific reads of those particular consumers. In contrast, global industries operate worldwide, with a MNC's making only small adjustments for country's specific circumstances. A global industry is one in which an MNC's activities in one country are affected significantly by its activities in other countries. MNC produce products or services in various locations throughout the world and sell them all over the world, making only minor adjustment for specific country requirements. The example of global; industries are commercial aircraft, television sets. The largest industrial corporations in the world in terms of dollar sales, for the most part are MNC operating in global industries. The factors that tend to determine whether an industry will be primarily multi domestic or primarily global are :

1. The pressure for coordination within the multinational corporation operating in that industry.
2. The pressure for local responsiveness on the part of individual country markets.

If the pressure for coordination is strong and the pressure for local activity. The importance of imports and exports in biblical times is well known, and for a time, most of the world's international trade involved the import and export of goods and services. For many firms, the sequence was first goods, then services and lastly, the import and export of capital. Many firms that are now mature multinational corporation with worldwide manufacturing activities started in the international area through the import and export of goods and services. Accounting of these transactions, except for forward contracts, tends to be one of the most straightforward issues in the international accounting.

For example, if an Indonesian firm decides to purchase a component part from a U.S firm, this decision probably will be based on a consideration of the overall cost, quality, delivery times, and so forth, of the U.S part. An aspect of the negotiations in this transaction will center on the currency of payment, as one party in this transaction is a Indonesian and one a U.S firm. The parties may agree that the Indonesian buyer will pay the U.S seller in Rupiahs. In that case, this transaction will not qualify, from international standpoint as an international transaction to the buyer, as no currency conversion will be involved. But if the seller requires payment in U.S dollars, then it becomes an international transaction to the buyer. It is interesting to note the importance of the accounting viewpoint. That is, if the transaction were denominated in Rupiahs, the transaction would not be an international transaction from the buyer's viewpoint; but from the seller's viewpoint, it would be as a foreign currency was involved. The opposite would be true if responsiveness is weak for multinational within a particular industry, that industry will to become global. But, when the pressure for local responsiveness is strong and the pressure for coordination is weak for MNC in an industry, that industry will tend to be multi domestic. Between these two extreme lie many industries with varying characteristics of both multi domestic and global industries

2.2. INTERNATIONAL TRANSACTIONS

International transactions are the basic buying, selling, and financial activities of a business entity. Included are such activities as importing, exporting, foreign borrowing, foreign lending, and taking out forward contracts. An important first consideration is what makes a transaction an "international transaction?" Although one might think that the most important factor to qualify a transaction as international is the foreign domicile (location) of one party to the transaction, this is not so. Instead, the most important qualifying factor is the denomination of the currency of the transaction. If the transaction currency is other than that of he domestic firm, the transaction qualifies as international from accounting standpoint.

A firm's importing, exporting, and financing activities result from management decisions. As firms grow, they acquire a wider view of the products, service, and capital markets; indeed, by definition, the mature multinational is a firm that deals in world markets for goods, services and capital. International transactions are the oldest part of international business the currency of denomination were the U.S dollar: then the transaction would be international to the Indonesian firm but not to the U.S firm.

For international transactions that involve the import of export of goods, services, and capital, the accounting issues will revolve around three important dates associated with the transaction. That is, a transaction must be recorded when it is begun, then perhaps at interim reporting dates, and finally when it is settled. These three times (transaction initiation, interim reporting, and settlement) represent the accounting cycle and are the triggers for the accounting for these transactions.

2.3. FOREIGN CURRENCY CONCEPT

The objective of a currency is to provide a standard of value, a medium of exchange, and a unit of measure. Currencies of different countries perform the first two functions with varying degrees of efficiency, but essentially all currencies provide a unit of measure for the economy activities and resources of a country are measured in a currency of that country. A transaction is measured in a particular currency if its magnitude is expressed in that currency.

Assets and liabilities are denominated in a currency if their amounts are fixed in terms of that currency. Transactions within a country (local transactions) are ordinarily both measured and denominated in that country's currency , and in the Indonesia, one seldom investigates the possibility that a purchase or sale could be denominated (fixed) in a currency other than the Rupiah. In the case of transactions between business entities of different countries, however, among amount receivable and payable are ordinarily denominated in the local currency of either the buying entity or the selling entity. For example, if an Indonesian firm sells merchandise to a British firm, the transaction amounts will be denominated (fixed) in either Rupiahs or British pounds. The Indonesian firm will measure and record its account receivable and sales in Rupiah and the British firm will measure and record its purchase and account payable in British pounds if the transaction is denominated in British pounds, the Indonesian firm has to determine how many Rupiahs the transaction represents in order to record it. If the transaction is denominated in Rupiahs, the British firm has to determine how many British pounds the transaction represents. To measure the transaction in their currencies, business around the world rely on exchange rates negotiated on continuous basis in world currency markets

Direct and Indirect Quotation of Exchange Rate

An exchange rate is the ratio between a unit of one currency and the amount of another currency for which that unit can be exchanged (converted) at a particular time. The exchange rate can be computed directly and indirectly. Assume that Rp. 14.000 can be exchanged for one British pound.

Direct Quotation (US \$ equivalent)

$$\frac{\text{Rp. } 14.000}{1} = 14.000 \text{ Rupiahs}$$

Indirect Quotation (foreign currency per Rupiah)

$$\frac{1}{\text{Rp. } 14.000} = 0.0000714 \text{ British pound}$$

The first approach is referred to as a direct quotation (from an Indonesia viewpoint) is because the rate is expressed in Rupiah. It means that 14.000 Rupiah is equivalent to one British pound (one unit of the foreign currency). The second approach is referred to as an indirect quotation (from an Indonesia viewpoint), because the rate is expressed in British pounds (the foreign currency). It means that 0.0000714 British pounds is equivalent to one Rupiah.

Floating, Fixed and Multiple Exchange Rate

Exchange rate may be fixed by a governmental unit or they may be allowed to fluctuate (float) with changes in a currency markets. Official or fixed exchange rate are set by a government and do not change as a result of changes in world currency markets. Free or floating exchange rate are those that reflects fluctuating market prices for a currency based on supply and demand and other factors in the world currency markets.

Floating exchange rate; theoretically, a currency's value should be reflect its buying power in world markets. For example, an increase in a country's inflation rate indicates that its currency's purchasing power is decreasing. The currency's value should fall in relation to other currencies. A large trace surplus indicates an increased demand for a country's currency and should results in that currency strengthening against other currencies. Conversely, a large trade deficit should lead to a decrease in a currency's value. Although inflation and trade are basic to floating exchange rate, other factors have sometimes been more influential. Investors buy securities in the world market, and interest rate, rather than trade deficits may determine supply and demand for a country's currency. Speculative trading in currency movements also affects exchange rate.

Fixed and multiple exchange rate; when exchange rate are fixed, the issuing government is able to set (fix) different rates for different binds of transaction. For example, it may set a preferential rate for imports or certain kinds of imports, and penalty rates for exports or certain kinds of exports, in order to promote the economic objectives of the country. Such rates are referred to as multiple exchange rates.

2.3.1 Currency Movement

Changes in exchange rates (currency volatility) create special problems in accounting for international transactions. Exchange rate movements can cause a transaction's domestic monetary value to differ over the three-date cycle. That is, when the transaction is first initiated, one party either is obligated to pay a foreign currency amount or will receive a foreign currency amount in the future. To record the transaction in its records, the foreign currency amount must be translated into the domestic currency, and usually the spot rate (buying or selling or average) on the transaction date is used. This means that the receivable or payable denominated in a foreign standard

1.7. Definition of Terms

The definition of terms is given below in order to make the reader understand about what they are going to read from the thesis title. The terms of the title are as follow:

1. **Exchange Rate Standard:** is an exchange rate used by PT. WARNER LAMBERT INDONESIA which is set by the Head Quarter to determine the value of Rupiah against another currency for the purpose of international transactions.
2. **Lopid FCT.:** is one of the product produced by PT. WARNER LAMBERT INDONESIA.

1.8. Research Method

1.8.1.Type of Research Method

The research method conducted in this research was a descriptive qualitative and comparative method. Where it explored an object in the certain period deeply and comprehensively including the environment and the previous condition (Consuelo,1988) and also comparing the data findings with the accounting standard. Also according to Whitney (1960:160), the descriptive comparative method is a research of facts through exact interpretation. The descriptive method is research method to have an overview of the real phenomena and also explaining the relation, making prediction, and getting the in an international transaction as separate from the cost of the goods and accounts for it separately. For example, merchandise that is purchased is " locked into" the accounting records at the exchange rate on the initial transaction date and is not adjusted for subsequent changes in that rate. Instead, these changes are considered as an expense and are charged or credited to a gain or loss in on foreign exchange account, which is reported in the income statement. The following application to the example used earlier in the chapter will demonstrate how this view works.

b. The one-transaction view holds that exchange differences are really adjustments of the original transaction and thus should be reflected in the base of the item purchased by import or sold by export. Exchange difference are charged or credited to the cost of imported goods, and thus the cost cannot be confirmed until the transaction is completely settled and the foreign currency is paid. This view considers the initial accounting record as temporary, subject to updating later if the exchange rate change.

SFAS 52 requirements for foreign currency transaction other than forward exchange contract are:

1. At the date the transaction is recognized, each basset, liability, revenue, expense, gain, or loss arising from the transaction shall be measured and recorded in the functional currency of the recording entity by use of the exchange rate in effect of that date.

2. At each balance sheet date, recorded balances that are denominated in a currency other than the functional currency of the recording entity shall be adjusted to reflect the current exchange rate.

2.3.2. Foreign Currency Transactions

Following are the illustration of foreign currency transactions:

SALES TRANSACTION

Assumption: an Indonesian company sells merchandise to London Industries Ltd. For Rp. 15.000.000 or 1000 pounds when the exchange rate is Rp. 15.000 and receives payment when the exchange rate is Rp. 14.900.

If billing is in Rupiahs

(Date of sale)

Account Receivables	Rp. 15.000.000	
Sales		Rp. 15.000.000

To record sale to London Industries: invoice is Rp. 15.000.000

(Date of receipt)

Cash	Rp. 15.000.000	
Account Receivables		Rp. 15.000.000

To record collection in full from London Industries

If billing is in British Pounds

Account Receivables (fc)	Rp. 15.000.000	
Sales		Rp. 15.000.000

To record sale to London Industries; billing is for 1000 British Pounds.

(1000 Pounds x Rp.15.000 = Rp. 15.000.000)

Cash (fc) Rp. 14.900.000

Exchange Loss Rp. 100.000

Account receivables(fc) Rp. 15.000.000

To record collection in full from London Industries.(1000 Pounds x Rp. 14.900 = Rp. 14.900.000)

PURCHASE TRANSACTION

Assumption: an Indonesian company purchases merchandise from London Industries Ltd. For Rp. 7.500.000 or 500 Pounds when the exchange rate is Rp. 15.000 and pays the account when the exchange rate is Rp. 15.200.

If billing is in Rupiahs

(Date of purchase)

Inventory Rp. 7.500.000

Account Payables Rp. 7.500.000

To record purchase from London Industries; billing is Rp. 7.500.000

(Date of payment)

Account Payables Rp. 7.500.000

Cash Rp. 7.500.000

To record payment in full to London Industries

If billing is in British Pounds

Inventory Rp. 7.500.000

Account Payables (fc) Rp. 7.500.000

To record purchase from London industries: billing is for 500 British Pounds. (500 Pounds x Rp. 15.000 = Rp. 7.500.000)

Account Payables (fc)	Rp. 7.500.000	
Exchange Loss	Rp. 100.000	
Cash		Rp. 7.600.000

To record payment in full to London Industries (500 Pounds x Rp. 15.200 = Rp. 7.600.000)

2.4.COST CONCEPT

2.4.1.Cost Versus Expense Versus Loss

In a financial accounting sense, **cost** normally refers to the sum of the necessary outlays made in order to acquire an asset and to make it ready for its intended use. An **expense** is defined as the expired cost resulting from a productive usage an asset. That is, as a portion of the service potential of an asset is consumed, part of its cost is reclassified as an expense. These expenses are then match against the revenues that they helped to generate. In contrast, a **loss** is an expired cost resulting from a decline in the service potential of an asset that generated no benefit to the firm. In this event, the cost is also reclassified but as a loss. Of course, there is no revenue against which it can be matched.

2.4.2..Cost Objectives

Many discussions of cost will center on the concept of a cost objective. Thus, it is important to understand how this concept is used. A cost objective constitutes some entity for which it is desired to collect cost data. The following are illustrative:

1. A product
2. A special contract
3. An area of responsibilities within the firm, such as the assembly department or the troller's department
4. A division of the firm
5. A given project, past or proposed
6. A geographical market area served by the firm
7. Some activity of the firm, such as that of producing and holding inventory
8. A function, such as the personnel, sales, manufacturing, or administrative function

Obviously, a firm may have many different cost objectives that are of simultaneous interest. Further, a given item of cost may be assigned to several different objectives.

2.4.3.Direct Versus Indirect Cost

Costs are direct with respect to a given cost objective if they can be conveniently traced to that objective. For example, materials actually included in a finished product are a direct product cost. The foreman's salary is direct with respect to his or her department although, in many cases, it is not a direct product cost. While indirect cost, cannot be traced to a single cost objective. It just means that there is no physical relationship that ties the cost directly to the objective. For example, depreciation on the factory building is an indirect product cost. Depreciation is the portion of the original cost of the building assigned to the current period. This period's production benefits from the existence of the building are therefore, from the depreciation. However, it is not possible to directly trace benefit to the produced units.

2.4.4. Controllable Versus Uncontrollable Costs

In implementing the control function, a cost/managerial accountant must carefully consider who has control over the various costs. If controllability is not carefully considered, then accounting reports can have an undesirable motivational impact. Controllability is typically determined from the standpoint of a particular division of the firm. However, the organization of most firms is such that controllability is not completely traceable to a single individual within the firm. With this in mind, controllability is defined as the existence of a significant degree of influence on the incurrence of the cost. In some cases, this influence may be solely that of one individual. Frequently, however, several members of the organization will be able to exert influence on some policy or action that results in a cost incurrence. Then the accountant will have a difficult time establishing responsibility for the cost incurrence. For example, a particular production manager may be a member of a group executives charged with making a recommendation on the acquisition of the new machine. In this situation, the decision is a group decision and the responsibility is not solely that of the production manager. Therefore, controllability is not a clear issue although it is clear the production manager is partly accountable for the outcome of the decision. If little or no influence can be exerted by a particular segment of the firm, then the cost would be considered non controllable by the segment. The distinction between controllable and non controllable is also dependent on time. In the short run, fewer items are controllable than in the long run. However, given a long enough period of time, there is no cost that cannot be influenced by someone in the firm. Therefore, in the long run all costs are controllable.

2.4.5.Historical Versus Replacement Versus Opportunity Cost

Historical cost is the actual outlay made at the time an asset is acquired. It is the type of cost conventionally accounted for in financial accounting. In contrast, **replacement (current) cost** is the outlay that would have to be made if the assets were to be replaced. In cost / managerial accounting, replacement cost will often be more relevant than historical cost. To introduce the opportunity cost concept, note that taking some action will normally preclude taking certain other actions. For instance, the cost of studying on Saturday night is the sacrifice of not going to a social event. Using a resource to produce one product precludes its use in producing another product. The satisfaction, or gain, of the activity foregone is an **opportunity cost** of the act chosen. If there are two or more mutually exclusive actions foregone, then the opportunity cost of the act chosen is the highest satisfaction or gain that was precluded. To summarize, historical cost is the past expenditure. Replacement cost is the anticipated current expenditure, and opportunity cost is a foregone profit or satisfaction.

The distinction between inventoriable costs and period costs is a key the Generally Accepted Accounting Principles that govern financial reporting. As background, we first note the different types of inventory that companies hold and some commonly used classifications of manufacturing costs. Manufacturing-sector companies purchase materials and components and convert them into different finished goods. They typically have one or more of the following three types of inventory:

1. Direct materials inventory; direct materials in stock and awaiting use in the manufacturing process.
2. Work-in-process inventory; goods partially worked on but not yet fully completed. Also called work in progress.
3. Finished goods inventory; goods fully completed but not yet sold.

Three terms with widespread use when describing manufacturing costs are as follows:

1. Direct materials costs are the acquisition costs of all materials that eventually become part of the cost object (work in process or finished goods), and that can be traced to the cost object in an economically feasible way. Acquisition costs of direct materials include freight-in (inward delivery) charges, sales taxes, and custom duties.

2. Direct manufacturing labor costs include the compensation of all manufacturing labor that can be traced to the cost object in an economically feasible way. Examples include wages and fringe benefits paid to machine operators and assembly-line workers.
3. Indirect manufacturing costs are all manufacturing costs that are considered part of the cost object, units finished or in process, but that cannot be traced to that cost object in an economically feasible way. Examples include power, supplies, indirect materials, indirect manufacturing labor, plant rent, plant insurance, property taxes on plants, plant depreciation, and the compensation of plant managers. Other terms for this cost category include manufacturing overhead cost and factory overhead cost.

Inventoriable costs are cost of a product that are regarded as an asset when they are incurred and then become cost of good sold when the product is sold. For manufacturing-sector companies, all manufacturing costs are inventoriable costs. Cost incurred for direct materials, direct manufacturing labor, and indirect manufacturing costs create new assets, first work in process and then finished goods. Hence manufacturing costs are included in work in process and finished goods inventory to accumulate the cost of creating these assets. When finished goods are sold, the cost of good sold is recognized as an expense to be match against the revenues from the sale. Note that the cost of goods sold include all manufacturing costs (direct material, direct manufacturing labor, and indirect manufacturing cost) incurred to produce the good sold. Sales may occur in a different accounting period than 5the period in which the goods were manufactured. Thus inventorying manufacturing cost during manufacturing and expensing the manufacturing cost of goods sold later when revenues are recognized achieves better matching of revenues and expense.

Period costs are all cost in the income statement other than cost of good sold. These cost are treated as expenses of the period in which they are incurred because they are presumed not to benefit future periods (or because there is no sufficient evidence to conclude that such benefit exist). Expensing these costs immediately best matches expenses to revenues. For manufacturing-sector companies, period costs include all manufacturing cost (for example, research and development costs and distribution costs).

2.5.STANDARD COST

Standard cost should be incorporated into the regular accounting system. the incorporation of astandard cost into the records gives full recognition to the true meaning of standard cost accounting. It permits the most efficient use of standard cost system and leads to a tie-in with the accoumting system as a whole, thereby making for savings and increased in accuracy in clerical work. some companies prefer to keep standard cost for statistical purposes only. In either case, however, variances can be analyzed for cost control; and standard cost can be used on developing budgets, bidding contracts, and setting prices.

A standard price for material depends on the desired grade or quality of material to be used, the suppliers to be used (if the supplier reliability is an issue), the quantity to be purchased (if there are quantity discount available), shipping cost, anticipated price changes during the period of time a particular standard price is to be in effect, and perhaps other variables. Since the grade of material and reliability of supplier are variables, it is obvious that the standard price is not necessarily the lowest one available. When quantity discount arrangements are available, the firm may want to use economical order quantity models with quantity discount features, to determine the optimal order size. In turn the standard price would be equal to the one corresponding to the optimal size. Price changes during the period present a problem. Theoretically, the standard should be changed any time there is a price change in the market. For practical reasons, a company may not want to make such a revision more than once a year. If this is the case and if such changes can be reasonably anticipated, then the standard price might be determined by weighting each price by the length of time it will be in effect and summing the result. With this procedure some of the month-to-month variations between actual and standard prices would really be uncontrollable and must be allowed for in explaining the variance. At year-end, the variations due to market price changes would cancel out if the changes had been forecast correctly. The recording of materials purchased can be handled by three different

2.6.FINANCIAL STATEMENT

2.6.1. The Meaning of Financial Statement

Financial statement report is the basis for understanding the financial position of a business firm and for assessing its historical and prospective financial performance. Financial statement has the capability of making clear representative of firm's financial health leading to an informed business decision (Fraser, 1995:12)

Financial statement often contains supplementary data that, although it is not included in the statement themselves, helps the financial statement or adjust measures of corporate performance to make them more comparable, consistent overtime, and more representative of economic reality.

Financial reporting system, which generates financial information for external users, encompasses, four principles of financial statement (White, Sondhi and Fried, 1997:13-15)

a. ***The balance sheet*** shows the financial position asset, liabilities and stockholder equity of the firm on a particular date, such as the end of the quarter or a year.

b. ***The income or earning statement*** presents the result of operation revenue, expenditure, net profit, or loss and net profit and loss per share for the accounting period.

c. ***The statement of retained earning*** that is frequently combined with the income statement reconciles the beginning and ending balance of the retained earning account.

d. ***The statement of cash flow*** provides information about the cash inflows and outflows from the operating, financing, and investment activities during an accounting period.

2.6.2.Usefulness of Financial Statement

Financial statement and their accompanying notes contain a wealth of useful information regarding the financial position of the company the success of its operation, the policies, and the strategies of management, and insight for its user to find and interpret this information in order to answer question about the company, such as (Fraser, 1995:4):

- Would an investment generate attractive return?
- What is the degree of risk inherent in the investment?
- Should existing investment holding be liquidated?
- Will cash flow be sufficient to serve interest and principal payment to support the firm's borrowing need?
- Does the company provide a good opportunity for employment, future advancement, and employee benefit?
- How well does the company compete in its operating environment?
- Is this firm a good prospect for customer?

The financial statement and other data generated by corporate financial reporting and other data generated by corporate financial reporting can help the user develop answers to those questions as well as many others. The users of a firm's annual report can be expected to encounter a great quantity of information that encompasses the required financial statement information, notes of the financial statement, the audit report, a five-year summary of financial data key, high and low stock prices, management discussion and analysis of operations as well as material that is included in the report at the imagination of management.

2.6.3. The Qualitative Characteristics of Financial Statement

The characteristics of financial statement (White, Sondhi and Fried, 1997:10-11) are:

1. ***Relevance*** is defined as motion to make a different decision. In practice, of course, the relevance of information depends on the decision-maker.
2. ***Timelines*** is an important aspect of relevance information loses value rapidly in the financial world. Market prices that are predicated on estimates of the future data of the past are helpful in making projection.
3. ***Reliability*** encompasses ***verifiability, representational faithfulness***, and ***neutrality.*** The first two elements (verifiability and representational) are concerned with whether or not financial data has been measured accurately and whether they are what they purport to be data without these characteristics able to be relied on in making investment decision.
4. ***Consistency and comparability*** are also the key characteristics of accounting information from the analysis perspective. Consistency refers to use of the some accounting principles overtimes. A boarder term, comparability, refers to comparison among company.

2.6.4. Forms of Financial Statement

2.6.4.1.Balance Sheet

A balance sheet is also called the statement of condition or statement of financial position, provides a wealth of valuable information about the business firm. Particularly when it is examined over a period of several years and evaluated in relation to the other financial statements.

The balance sheet shows the financial condition or financial position of the company on particular date. The statement is a summary of what the firm owns (asset) and what the firms owes to outsider (liabilities) and to internal owners (stockholder equity). By definition, the account balance on the balance sheet must be balance that is the total of all assets must be equal to the sum of liabilities and stockholder equity. The balancing equation is expressed (Fraser, 1995:3-4)

Asset = liability + stockholder equity

Elements of the balance sheet are (White, Sondhi and Fried, 1997:12-13)

a. ***Assets*** are defined as probable future economic benefits obtained or controlled by a particular entity as a result of past transaction or event.
b. ***Liabilities*** are defined similarly as probable future sacrifices of economic benefit arising from present obligation of a particular entity to transfer asset or provide services to other entities in the future as a result of past transaction or events.
c. ***Stockholder equity*** is the residual inters in the net asset of an entity that remains after deducting its liabilities.

2.6.4.2.Income Statement

The income statement is also called the statement of earning, present revenue, expenses, net income, and earning per share for an accounting period, generally a year or a quarter. The income statement (statement of earning) reports on the performance of the firm, the result of its operating activities. It explains some but not all of the changes in the asset, liabilities, and equity of the firm between two consecutive balance sheet dates. The use of accrual concept means that the income and the balance sheet are interrelated.

The preparation of the income statement is governed by the matching principle, which states that performance can be measured only if revenue and related costs are accounted for during the same period. This requires the recognition of expenses incurred to generate revenues in the same period as the related revenues. Element of the income statement:

Revenues are defined as inflows of entity from delivering or producing goods, rendering services or other activities that constitute the entity ongoing major or central operations.

Expenses are defined as outflows of entity from delivering or producing goods, rendering services or other activities that constitute the entity ongoing major or central operations.

2.6.4.3.Statement of Retained Earning

The retained earning statement is ordinarily the shortest and least complicated of the four financial statements. This statement details the transaction primarily net income (loss) and dividend that affects the balance sheet retained earning account during an accounting period. This starting point is the retained earning balance in that beginning of the accounting period.Retained earning represents a claim against assets, not asset per share. More over, firm's retained earning primarily to expand the business and this means investing in plant and equipment, in inventories and soon not pilling up cash in bank account. Changes in retained earning occur because common stockholder allows the firm to reinvest funds that otherwise could be distributed as dividend (Fraser, 1995:4-5).

2.7.BASIC CONCEPT OF ACCOUNTING STANDARD

Financial statement is a communication tools between management as prepares and the users. Financial as a media of responsibility and communication were arranged in order to serve the information and message for the parties who involved. So, the accounting principle and standard needed as a guidance to assure the accounting treatment in arranging or interpret the financial statement.

The progress of basic concepts for institutions that's involved in arranging the accounting standard, which is as a guidance of the accounting policy for management to arrange financial report of the company. Several standards have evolved and constitute the structure or framework upon which accounting procedures and techniques are measured (Jack and Raymond, 1984:4-6). These standards include:

1. Business entity. The operation is distinct and separate from its owners; the business generates sales, incurs expenses, and sustains a profit or loss or break even by and for itself. The impact of this principle when income is measured as it accrues to the entity (in the form of increases in net assets), in effect, the owners owe the debt to themselves.

2.Historical cost. The value of all resources (assets) is established to be the agreed-upon cash equivalent of the asset being received. The historical cost normally is used to represent par value in accounts and resulting financial statements.

3.Conservatism. This standard requires that all losses are to be shown in financial records if there is a reasonable chance that such problems will occur; gains and related financial benefits, however, should not be reflected in records until they occur. This principle is important since many accounting decisions do not have a single right answer. Therefore, a choice between alternative assumptions is necessary. This concept guides the accountant faced with alternate measurements to select the option with the least favorable impact upon net income and financial position within the current accounting period.

4.Consistency. The same procedures used to collect accounting information should be used each fiscal period; in the absence of this standard, it is not possible for managers to have an information base upon which to make decisions.

5.Comparability. When the data is collected consistently information will be comparable. Trending, indexing, and related techniques can then be used to Asses changes between accounting periods.

6. Verifiability. All financial events must be documented by source documents that can be used to substantiate details of each transaction.

7. Objectivity. Reasoned, quantifiable, and measurable procedures should be used to develop accounting information.

2.8. BASIC PRINCIPLES OF ACCOUNTING TREATMENT

Basic principles of accounting treatment cover four things: definition, recognition, measurement and disclosure or reporting.

2.8.1. Aspect of Definition

Definition is an understanding of a term that describes the function and consequences of those function as right and obligation of other company. Based on a definition, construction Service Company can insert the elements of financial statement in to appropriate accounts. For instance, revenue is an asset account and one of the elements of income statement.

2.8.2. Aspect of Recognition

Recognition is to look for an objective measurement about the enhancement of value. For instance, revenue will be recognized when:

a. Realized or realizable.

Revenues are recognized when products, merchandises or other assets are exchange for cash or claims to cash. Revenues are realizable when assets received or held are readily converted in to cash or claims into cash.

b. Earned

Revenue is earned when the entity has substantially accomplished what it must do to be entitled to the benefits represented by revenues.

Four alternative points in time for recognizing revenue are discussed in the accounting literature and used in accounting practice are:

1. During production
2. At the completion of production
3. At the time of sale
4. When cash is collected

2.8.3. Aspect of Measurement

Measurement is a very important part of scientific investigation, with aim is to make the data more informative and beneficial when measured and analyzed (Muqodim, 2000:37). According to Suwardjono (1989:127) the definition of measurement is nominal determination of an object to show certain meaning of that object. The meaning can be weight, value, age, volume and so on. An object can be transactions or events of goods, services and other products.

Based on above explanation, measurement means the determination process of money to recognize and insert every element of financial statement in to balance sheet and income statement. Hence, measurement is a phase to go through before reporting information in the financial statement. There are some concepts of measurement in accounting literature or conceptual framework, but the implementation of those concept and accounting practice are still dominated by the use of historical costs currently.

The followings are reasons for using historical cost as a base of measurement:

1. The future is done by seeing the past (historical)
2. Historical costs are based on something real, not estimation

Despite the weaknesses of historical costs, its use is still maintained in accounting practice.

2.8.4. Aspect of Presentation and Disclosure

Disclosure is concerned with information in both the financial statements and supplementary communications including footnotes, post statement events, management's analysis of operations for the forthcoming year, financial and operating forecasts, and additional financial statements covering segmental disclosure and extensions beyond historical costs. *Financial reporting* is often used as an umbrella term to cover both financial statements themselves and the additional types of information mentioned above. For the purposes, disclosure refers to the whole area of financial reporting and not simply to the financial statements, although SFAC No. 5 (pare. 9) defines it as presentation of information by means other than recognition in the financial statements, which is contrasted with recognition in the financial statements themselves.

Disclosure means the recognition of nature and amount of information included in financial report reflects a series of judge mental trade-off. This trade-offs strive for:

1. Sufficient details to disclose matters that make a difference to users
2. Sufficient consideration to make the information understandable, keeping in mind costs of preparing and using it.

Generally the most useful information about assets, liabilities, revenues, expenses and other items on financial statements and their measures (information with the best combination of relevance and reliability) should be recognized in the financial statement.

CHAPTER III

COMPANY PROFILE

3. 1. Company History

PT. Warner Lambert Indonesia started its business in 1865, when an american established a medicine-house in a small street corner in Philadelphia. He dreamed a bigger thing and that dream came true when he invented the way to make sugar-coated tablet. With this invention, William Warner tried to produce many kinds of medicine and then Warner Laboratories was born. Its products became famous around the world, it was followed by the establishment of factories (branch) in all over the world. Warner also bought many companies, such as: Chilcott Laboratories in 1952, then they merged their name into Warner Chillcott Lambert pharmaceutical Laboratories that famous with its mouthwash, Listerine. And then, in 1956, bought Emerson, in 1957 bought Napera Chemicals, in 1960 bought Adams American Chicie Company, a famous bubble gum maker, Chichlets and produced a Hall's cough medicine that was famous with Hall's Cough Drops,in 1961 bought Lactona and in 1970, Parke Davis company became a part of Warner Lambert.

PT. Warner Lambert Indonesia established in Indonesia on October, 14^{th}, 1970, based on the law of foreign investment No. 1 the year of 1967, pioneered by an american, Gustavo Jose Figuerido. It was a cooperation between some companies, that were Renrall Limited, Solenor Incorporated and Tabor Corporation. Those three were subsidized by Warner Lambert Pharmaceutical USA

3. 2. Organizational Structure

In a company, the sharing of jobs and responsibilities, should be clearly defined to the inter-related parties in the purpose of that parties doing their activities to reach the objectives of management.

The organizational structure of PT. Warner Lambert Indonesia are as follows: the management is lead by a President Director.This President Director leads the company by coordinating to eight divisions covered, making the organizational plan and approving all policies in the purpose of reaching the objectives effectively. The covered eight divisions which are lead by a Director on each are as follows:

1. Medical Director

   This director is responsible for the license and patent of products produced. This director covers some managers, they are:

   - Training Manager
   - Registration Manager

   Each of these Manager has to know the useful of all medicine produced, because, both of them help the Medical Director in supervising the products in order to avoiding product imitation for both pharmaceutical and confectionary.

2. Marketing Director Confectionary

   This Director is responsible for the marketing of confectioanary product, give the approval of purchase order and returned goods from distributors. This Director covers some managers, they are:

- Sales Director
- Product Manager
- Sales Administration Manager

Each of those Managers help Marketing Director Confectionary and responsible for product inovations, such as how to make an interesting package and also for the content.

3. Marketing Director CHPD (Consumer health Product Division)

   This Director responsible for the maeketing of products that are madicine, such as: Benadryl, Sinutab, Vitamin, Mylanta, Gelusil, Anusol, Caladryl, and Mouth Wash, also give the approval of purchase order and returned goods from distributors. This Director covers some managers, they are:

   - Sales Director CHPD
   - Product Manager CHPD-Benadryl, Sinutab, Vitamin
   - Product Manager CHPD-Mylanta, Gelusil, Anusol, caladryl
   - Product Manager CHPD-Mouth Wash

   Each of these Managers help Marketing Director CHPD and responsible for the product innovations.

4. Quality Assurance Manager

   This Manager responsible in supervising and controlling the quality from the raw materials until finished goods, and also responsible for the returned goods order from distributor and deciding whether they are valid or not, then making an agreement letter whether that goods will be returned or destroyed.

5. Marketing Director Ethical

   This Director responsible for the marketing of both free-sold medicine (without doctor receipt) and unfree-sold one. This Director also responsible for the approval of purchase order and returned goods order from distributors. This Director covers some managers, they are:

   - Sales Director Ethical
   - Group Product Manger Ethical -Lopid, Atorvastatin
   - Group Product Manger Ethical -Accupril, Neurontin, Dilantin
   - Group Product Manger Ethical -Ponstan, Pyridium, Ketalar
   - Group Product Manger Ethical -Omnicef, Cognex

   Each of these managers help Marketing Director Ethical responsible for product inovations, such as how to make an interesting package and also for the content.

6. Operation Director Manufacturing

   This Director responsible for all manufacturing operational matters.

7. Human Resources Director

   This Director responsible for human resources in the planning, coordination and controll of the use of human resources. This Director covers some mangers, they are:

   - Recruitment and Training Manager
   - Compensation/ Benefit Supervisor
   - Office General Affairs Supervisor
   - Plant General Affairs Supervisor

Each of these Managers help Human Resources Director in handling human resources that covering employee recruitment, new employee training, employee salary/ compensation, employee promotions, etc.

8. Finance Director

This Director responsible for every policies relate to the financial resources and give the company financial report. This Director covers some sub divisions, they are:

- Internal Auditor
- Finance Controller
- Treasury, Plan and Tax manager

Each of these Managers help finance director in all matters of finance, such as: responsible for the review of financial report and also the control.

3. 3. Company Procedures

Bellow will be described procedure regarding the variances and the controls over that.

Definition of Production Variances

a. Purchase Price Variances (PPV); it measures the difference between the actual cost of component material purchased from third parties versus the budgeted cost of these materials.

b. Purchase Price Variance(PPV) WL Import; it measures the difference between the actual cost of component material purchased from Warner Lambert entities versus the budgeted cost of these materials.

c. Material Usage Variance (MUV); it measures the extent to which the actual level of component material consumption (i.e.: purchased materials or intermediate process materials) has varied from budget usage in the production process.

d. Operating Efficiency Variance (OEV); it measures the extent to which efficiencies have or have not been achieved in the use of primary operating resources: direct labor, equipment and major liabilities (bulk plants only) to the extent that these usage are measured.

e. Spending Variances; it reflects the extent to which actual plant expenses differ from budget.

f. Volume / Mix Variance; it expresses the extent to which actual expenses absorption differ from budget.

g. Miscellaneous Production Variances; this line should be used if it is believed that the results of plant operations would be more fairly stated if some variances were isolated in this line. Approval to use this line should be obtained from your Area Finance Director. If used, the rationale should be noted in the text box provided.

And then, here are the controls of variances done by company, focused on Purchase Price Variances due to the changes on Standard Exchange Rate:

In the beginning of process, when the raw material received from supplier, it will be recorded by logistic department. The control of this department done by record the price of raw material to the account of Inventory on debit side and Inventory in Transit account on credit side as follow:

Inventory Rp. xxx

Inventory In Transit Rp. xxx

(Inventory and Inventory In Transit recorded at standard)

b. The second process is the Account Payable process.

Activities done are: Invoicing, payment and good matching. Control done by this department is by recording Inventory In Transit account on debit side and Account Payable on credit side as follow:

Inventory In transit Rp. xxx

Account Payable Rp. xxx

(Inventory In transit and Account Payable recorded at actual)

c. The third process is on costing department.

In this department, control done by comparing the actual to standard, then after that the variance occurred will be found. Costing recorded Inventory In Transit account on debit at standard and recorded Inventory In Transit account on credit at actual. The difference occurred between standard and actual is the Purchase Price Variance (favorable or unfavorable). The favorable one will be recorded on credit side, while unfavorable one will be recorded on debit side as follow.

Inventory In Transit Rp. xxx

Purchase Price Variance Rp. xxx

Inventory In Transit Rp. xxx

Due to the exchange rate, it can not totally controlled by the company,

CHAPTER IV

RESEARCH FINDINGS AND ANALYSIS

This chapter contains all findings during the research and the analysis of those. It covers the procedures of international transactions, the impact of Exchange Rate Standard changing and also the compliance of those to Indonesia standard (PSAK).

4.1.Definition

Any transaction that is denominated in a currency other than the firm's functional currency is treated as an international transaction. The functional currency is the currency of the primary economic environment in which the firm operates. As a multinational corporation, PT. Warner Lambert has operations in some countries around the world, included in Indonesia. In its operations, many transactions will occur, whether between home office and subsidiaries or between subsidiaries (called, inter-company transaction). In the perspective of home office, the transactions between subsidiaries (affiliates) are recognized as an inter-company transactions (for the purpose of consolidation), while in the perspective of each subsidiaries (affiliates- Indonesia), such transactions are recognized as an international transactions (but in account, they use term *interco* to differenciate it with transactions with outside/third parties) and also since the currency used on that transactions is not Rupiah (functional currency). In the case of PT. Warner Lambert Indonesia, the international transaction is for instance, in the case of import and export of inventories. Inventories consist of: raw material, pack, bulk and finished goods. The import of raw materials and pack comes from other affiliates (in a small amount) and third party (any party other than affiliates), while the import of bulk and the export of finished goods are from and to affiliates (in a big amount). The transactions to and from affiliates in a small amount and transactions relate with the third party are uncontrolled, while the transactions to and from affiliates in a big amount are controlled. The term controlled here means that any changes regarding the Exchange Rate Standard will be adjusted to the revaluation of inventory.

Due to the inventory that deal with those transactions, according to PSAK no.14, inventory is an asset that:

a. Is available to be sold in normal business activity
b. Is in production process and/or in transit
c. Is in the form of materials or supplies to be used in production process or rendering services.

Inventory including all goods purchased and stored to be resold, for instance: goods purchased by retailer to be resold, or existing land and other properties to be resold. Inventory is also including finished goods that already produced, or goods in production process, including materials and equipments that will be used in the production process.

In the case of PT. Warner Lambert Indonesia, inventory involved in the international transactions that will be illustrated are:

appearance and the settlement of a transaction are in the same accounting period, all of the exchange differences should be recognized in that period. But, if the appearance and the settlement of a transaction are in some accounting periods, therefore, the exchange differences should be recognized for each of accounting period by calculating the currency changes for each of the period. It means that, gains and looses on foreign currency transactions cannot be differed until foreign currency is converted into Rupiahs or until related receivables are collected or payables are settled. Instead, these amounts must be adjusted to reflect current exchange rates at the balance sheet date, and any exchange gains or looses that result from that adjustments must be reflected in current net income. The exchange differences, can be by the reason of a devaluation or an extreme depreciation of a currency in the condition of no hedging facility and occurring unsettled liabilities because of the obtain of assets that have just done and should be settled in foreign currency. The currency difference can be included into the carrying amount of assets, as long as the adjusted carrying amount of assets not more than the lowest amount between replacement cost and amount recoverable from the selling or the use of that assets. The chosen alternative should be disclosed.

The international transactions done by PT. Warner Lambert Indonesia illustrated below are the transactions of to and from affiliates which are denominated in US $, and also transaction with third party which is denominated in Euro. Exchange Rate Standard changes have direct impact to the Net Income from the difference of amount between transaction date and settlement date. While, on the date of transaction, due to Exchange Rate Standard, if there are any difference between standard cost and actual cost, will give impact to Purchase Price Variance and give impact to Cost of good Sold. It is illustrated as follow:

Purchase from another affiliate

On beginning of March 2002, PT. Warner Lambert Indonesia purchased bulk (gemfibrozil powder) from PT. Warner Lambert Hongkong for $ 255.5 or Rp. 2.554.640 (when the Exchange Rate Standard of March was Rp. 10.200), while the actual rate was Rp. 10.000. The payment of that would be on the next 40 days, when the Exchange Rate Standard was Rp. 9.825.

a. In the beginning of process, when the raw material received, it will be recorded by logistic department. The control of this department done by record the price of raw material to the account of Inventory on debit side and Inventory in Transit account on credit side as follow:

Inventory	Rp. 2.606.100		
	Inventory In Transit	Rp. 2.606.100	

(Inventory and Inventory In Transit recorded at standard)

b. The second process in the Account Payable process.

Control done by this department is by recording Inventory In Transit account on debit side and Account Payable on credit side as follow:

Inventory In transit Rp. 2.555.000

Account Payable Rp. 2.555.000

(Inventory In transit and Account Payable recorded actual)

c. The third process is on costing department.

In this department, control done by comparing the actual to standard, then after that the variance occurred will be found. Costing recorded Inventory In Transit account on debit at standard and recorded Inventory In Transit account on credit at actual. The difference occurred between standard and actual is the Purchase Price Variance (favorable or unfavorable). The favorable one will be recorded on credit side, while unfavorable one will be recorded on debit side as follow.

Inventory In Transit Rp. 2.606.100

Inventory In Transit Rp. 2.555.000

Purchase Price Variance Rp. 51.100

And then, on the settlement date, the journal will be as follow:

Account Payable Rp. 2.555.000

Cash Rp. 2.510.287,5

Gain on Foreign Exchange Rp. 51.100

Inventory (bulk products) account represents the standard value of bulk material on hand. Bulk materials are defined as product manufactured or distributed by Warner Lambert locations (semi-finished goods), as well as similar products in bulk from purchased from outside suppliers which will enter directly into the manufacturing process that result in and/or becomes an integral part of the production of finished goods. If bulk materials are sold to trade customers or other international subsidiaries and branches, such sales shall be costed from this account and shall not be cleared through account finished goods. This account records the purchase of bulk materials at predetermined standard prices. The account is relieved for consumption of inventory at predetermined standard prices. The standard prices should include all elements required to deliver the material to the plant (i.e., cost of material, duties, freight, insurance, etc.).

Sales to another affiliate

On the beginning of March 2002, PT. Warner Lambert Indonesia sold finished goods of Lopid Fct. to PT. Warner Lambert Malaysia for $ 28.458 or Rp. 284.580.000 (when the Exchange Rate Standard of March was Rp. 10.200), while the actual rate was Rp. 10.000. Cost of Good Sold was Rp. 271.720.410. The payment of that would be on the next 40 days, when the Exchange Rate Standard was Rp. 9.825.

The transaction was recorded as follow:

On transaction date

Account Receivable		Rp. 284.580.000	
	Interco Sales Net		Rp.284.580.000
Product Cost		Rp. 271.720.410	
	Inventory (Finished Goods)		Rp. 271.720.410

Product Cost	Rp. 12.859.590	
Purchase Price Variance		Rp. 12.859.590

(on settlement date)

Cash	Rp. 279.599.850	
Loss on foreign exchange	Rp. 4.980.150	
Accounts Receivable		Rp.284.580.000

Product Cost accounts include product cost pertaining to sales, including the appropriate elements of materials, labor, plant, overhead and general overhead related to manufacturing activities. Plant overhead includes all warehousing and transportation expenses incurred at the plants, etc. general overhead as applicable to manufacturing function includes expenses for cost accounting, data processing, engineering administration, etc, which are allot able or assessable from G&A department plants only to the manufacturing department. At most allocations, however, these accounts reflect the standard cost for product sold.

Inventory (finished goods) account represents the standard value of finished products on hand. Finished products are defined as goods on hand at factories, warehouses, or sales locations for sale to trade customers. Finished goods include all products for sale in the finished and packaged form in which they are ordinarily delivered to customers.

have two kinds of bank account, they were in Rupiah (IDR) and Dollar of United State 0(USD). Bellow is the illustration of purchasing dollar:

On the date of purchasing US $ ($ 1.000), the market rate of 1 $ = Rp. 10.000, while Exchange Rate Standard of it is Rp. 9.500. The record will be as follow:

Bank (USD)-1000 US $	Rp. 9.500.000	
Loss on exchange Rate	Rp. 500.000	
Bank (IDR)		Rp. 10.000.000

International transactions illustrated above are those relate with other affiliates (controlled by Head Quarter) and with the third party. In the initial recognition on the date of transaction, the rate used is Exchange Rate Standard of March, and in the date of settlement (40 days after the transaction date), the rate used is Exchange Rate Standard of April. Because of the changes of Exchange Rate Standard within those months, some exchange differences occurred. For export and import transactions, the exchange differences are charged or credited to a gain or loss on foreign exchange account, which is reported in the income statement. We also see that there were Purchase Price Variance account that basically give impact but not directly to Net Income, instead it will affecting the total Cost of Good Sold.

4.3.Measurement

Financial Accounting Statement (FAS) No. 2 defined accounting measurement concepts as "the board principles that determine the amount/amounts at which those elements (such as assets, liabilities, etc) are recognized" (par 82). Steven (1946) proposed other argument, "the assignment of numerals to objects/events according to the rules" (in Mathews & Perera, 1996:152). The measurement process is important in order to provide quantitative data and information about the financial position of an object or event at a particular time.

The measurement process deals with the attributes or the selection of financial statements that should be measured for the sake of financial accounting. The determinant to chose the attributes must be fulfilled into the "relevance, reliability, understandability and comparability that has purposes to the user of financial statements"(FAS No. 2 par 88).

In the case of export and import in PT. Warner Lambert Indonesia, the base of measurement of transactions is Exchange Rate Standard on transaction date, while for settlement is Exchange Rate Standard on settlement date. And those regarding the Purchase Price Variance and revaluation of inventory are measured by comparing the standard cost and actual cost. Further discussion here the measurement regarding the impact of Exchange Rate Standard changes toward CGS, inventory and product margin.

The flow of Exchange Rate Standard changes impact toward CGS (Cost of Sales), Inventory and Product Margin

The system used in PT. Warner Lambert Indonesia is by using Exchange Rate Standard in US $ as the parameter of valuation. As what we will discuss below, the uncontrolled transactions denominated in every currency of the third party will only affecting Purchase Price Variance and the controlled transactions denominated in US $ will affecting the revaluation of inventory. Below is a Cost of Good Sold analysis (in general) to see the impact of Exchange Rate Standard (US $) changes, including the analysis of Purchase Price Variance and revaluation caused by exchange rate. Purchase Price Variance consist of two sources, they are from transactions with affiliate and outside supplier/third party. Purchase Price Variance from affiliate-transaction called PPV-WL import ,while Purchase Price Variance from the third parties called PPV (that actually consist both from local and import).

(Table 4.1)IDR (000's)

Description	**March-02 10.200**	**April-02 9.825**	**May-02 9.375**	**Quarter 2nd 9.800**
Cost of Sales-std	**2.755.265**	**1.139.333**	**3.466.941**	**7.361.539**
Purchase Price Variance	(34.933)	(85.150)	(59.839)	(179.922)
PPV- WL import	44.440	(49.037)	(22.370)	(26.967)
MaterialsUsageVariance	27.947	13.100	13.703	54.750
OperatingEfficiency Variance	(6.987)	(22.925)	(25.294)	(55.206)
Spending Variance	160.693	(347.150)	32.865	(153.592)
Volume/Mix Variance	(160.693)	160.475	(32.231)	(32.449)
ProductionVariance	**30.467**	**(330.687)**	**(93.167)**	**(393.387)**
Standard Cost Rev-Gen.	-	-	-	-
Standard Cost Rev-Def.	(12.538)	-	-	(12.538)
Exchange Rate Rev-Gen	496.965	832.269	624.883	1.954.116
Exchange Rate Rev-def	(552.725)	(658.971)	(243.518)	(1.455.214)
Variance Deferral Gen.	(30.467)	330.687	93.167	393.387
Variance Def.Amortized	(73.520)	(121.358)	(115.126)	(310.004)
Revaluations	**(172.285)**	**382.627**	**359.406**	**569.748**
Cost of Sales-Other	324	(4.659)	1.193.122	1.188.787
TOTAL COST	**2.613.771**	**1.186.614**	**4.926.302**	**8.726.587**
Gross Sales	7.659.001	3.112.251	10.486.670	21.257.922
Return & Allowance	-	(93)	(25.494)	(25.587)
Trade Discount	(457.000)	(450.000)	(830.000)	(1.737.000)
Export	689.31	280.103	943.8	1913.2
Net Sales	**7.202.690**	**2.662.159**	**9.632.119**	**19.496.968**

%PC-Stdcto Net Sales	38%	43%	36%	38%
%PC-Act. To NetSales	36%	45%	51%	45%

As an information, the average Exchange Rate Standard for the 1st Quarter is Rp. 11.600

From the data above, we can analyze that in general, Cost of Sales that finally will affect the Product Margin is influenced by variances and revaluations. More over, Exchange Revisions-Deferred account insures that changes to standard cost due to exchange don't impact earnings until the inventory at the old cost has been sold to third parties, this is accomplished by recording cost revisions due to exchange in account *exchange rate revaluation-generate*, and offsetting it with an entry to account *exchange rate revaluation-un amortized.* This balance sheet account is set up to insure that total inventory is maintained at historical cost. This account reflects that deferred portion of these exchange rate revisions are amortized as the units of inventory are sold to third parties. Exchange Rate Revisions-Generated account will reflect the (1) reversal unamortized prior year-end exchange revisions, (2) adjustment to standard cost reflecting the opening Exchange Rate Standard, (3) revisions to cost necessitated by interim changes to Exchange Rate Standard. An entry is required to account *exchange rate revisions-generated* to reflect the unamortized balance of these revisions. Exchange Rate Revisions-Unamortized account will reflect the (1) deferral of exchange rate revisions and (2) amortization of those deferred exchange rate revisions. The contra balance of this account is account *exchange revision-deferred.*

Ratio Product Cost to Net sales is 45 % (budget ratio is round

38%) due to Exchange Rate Standard changes; that this is changes of budget Exchange rate Standard 11.600 per US $ to average rate 9.800 per US $ (March=10.200, April=9.825, May=9.375), this have impact to decrease of ratio Product Cost at standard to net sales up to round 7 % that budget, assuming import content of Product Cost is 90 %.

Moreover, bellow is the illustration of the calculation of sales transaction:

(Table4.2.)

Per	Unit of Export Sales	Export Sales	Product Cost	Varian	Inv.Reval.	.Other Cost	Cost of Sales / CGS	Prod .Margin
Mar	3.500	284.580.000	267.799.910	1.036.250	(8.095.800)	2.884.000	271.720.410	12.859.590
Apr	1.500	121.992.000	110.908.065	2.435.000	(5.250.775)	1.238.600	112.581.665	9.410.335
May	1.500	112.125.000	107.174.775	1.110.000	(2.303.200)	1.117.650	108.284.775	3.840.225
Tot	**6.500**	**518.697.000**	**485.882.750**	**4.581.250**	**(15.649.775)**	**5.240.250**	**508.236.625**	**26.110.150**

Product cost comes from product cost per unit x total units, for instance: On March, the product cost of 267.799.910 comes from (76.514,26**(discl)** x 3500). The component of product cost that was changing is material (Gemfibrozil Powder), while the Labor, Over Head and other materials remains constant. Varian comes from the difference between the actual cost of component material purchased versus the budget cost of these materials due to the changes of Exchange Rate Standard. Inventory Revaluation is comes from the changing carrying amount of inventory because of the changing of it. Other cost consists of inventory adjustment and inventory discontinue. From all amount of computations shown in the table, we emphasize on inventory revaluation.

When Exchange Rate Standard changing, we have to consider the inventory turnover (comparing the inventory movement to Cost of Sales), for the purpose of adjusting the value of inventory, and the majority is the portion of Gemfibrozil Powder. We can also easily see on the table, April and May have the same number of unit sold but have different number of sales amount. The difference of Rp. 9.867.000 (Rp. 121.992.000 - Rp. 112.125.000) is because of the decrease of Exchange Rate Standard from Rp. 9.825 to Rp. 9.375.

More over with Inventory Revaluation is as follow: Based on Exchange Rate Standard of Rp. 10.200 on March, the total amount of inventory is Rp 3.525.427.453. On April, when Exchange Rate Standard becomes Rp. 9.825 and the stock level of inventory remains constant, the value of that becomes Rp. 3.403.194.156 (the revaluation is Rp. 122.233.297). The percentage of that decrease value is 122.233.297 : 3.525.427.453 = 3,47 %. Specific to the Gemfibrozil Powder (material that contribute significantly (Rp. 71,849 : Rp. 79,321 = 90,58%) per unit, from total material (bulk) consumed), on March, the amount is Rp. 2.077.714.258, where on April the amount becomes Rp. 2.033.235.395 (the revaluation is Rp. 74.478.863). The percentage of the decrease value is 74.478.863 : 2.077.714.258 = 3,58 %. The decrease carrying amount of inventory (revaluation) will affect the total Cost of Sales.

In cumulative, the gains and losses due to the changes in Exchange Rate Standard, both in US $ and Euro in that period (from the above transactions) is:

(Table4.3.)

Transactions	**Amounts of Gains or (losses) (Rp)**
Sale to affiliate	(4.980.150)
Purchase from affiliate	51.100
Purchase from third party	0
TOTAL	**(4.929.050)**

4.4. Disclosure and Presentation

Every company should present:

1. The amount of exchange difference adjusted in net profit or loss for that period
2. Net exchange differences that are classified in the group of equity as a separate item, and the reconciliation of the exchange difference in the beginning and in the end of period; and
3. The amount of exchange difference occurred during a period, that is included in the carrying value of inventory according to alternative treatment allowed.

PT. Warner Lambert Indonesia prepared financial report for two parties. The First is for Head Quarter (PT. Warner Lambert in NewYork) and the second is for local (to related parties, such as: management and employees). Its financial statements in which these are the product of the accounting process and are audited by a professional accounting service, stating that the accounts have been presented fairly, and have disclosed all necessary information.

The basic assumption applied in the presentation of financial statements is accrual basis. In accrual basis, the argument derived from any kind of transaction, which is recognized at the time happened (not at the time when such cash received) and is reported in accounting records and financial statements.

Regarding the international transaction to and from other affiliates, the report sent to NewYork is for the purpose of Consolidated Financial Statement (treated as inter-company transaction). While, in the local report, regarding the case above, the income statement will include the changing Cost of Good Sold due to Purchase Price Variance and inventory revaluations and also gains and looses of exchange rate from the transactions, and in some purposes, balance sheet will treat the increase of carrying amount of goods purchased as inventory.

CHAPTER V

CONCLUSIONS

Based on the analysis in the previous chapter, covering the appliance of international transactions in PT. Warner Lambert Indonesia, the impact of Exchange Rate Standard component in those transactions to the Cost of Good Sold, Inventory and product margin also the compliance of those treatment to Indonesia standard (PSAK), bellow are the conclusions of those.

a) The procedures of international transactions done by PT. Warner Lambert Indonesia are as follow: Every transaction started by making or receiving a requisition / order card. And then, in the case of purchasing, in the beginning of process, the inventory received will be recorded by logistic department. The control of this department is done by recording the price to the account of Inventory on debit side and Inventory in Transit account on credit side (in standard). After that, the second process in the Account Payable process, the Control done by this department is by recording Inventory In Transit account on debit side and Account Payable on credit side (in actual). And then, the third process is on costing department. In this department, control is done by comparing the actual to standard, then after that the variance occurred will be found. Costing recorded Inventory In Transit account on debit at standard and recorded Inventory In Transit account on credit at actual. The difference occurred between standard and actual is the Purchase Price Variance (favorable or unfavorable). The favorable one will be recorded on credit side, while unfavorable one will be recorded on debit side. And in the case of sale, first, logistic department will input the quantity of inventory ordered to the system, and then, costing department updates the data in the system and match the standard of product cost. After the inventories are delivered, the Account Receivable and sales account will be recorded at actual price, inventory and product cost at standard price, then the difference will be included in Purchase Price Variance. Finally, every transaction will be settled in 40 days after the transaction date, and any gain or loss from the settlement will be included in the net income.

b) For transactions with affiliates (PT. Warner Lambert in other countries), Exchange Rate Standard is determined in US dollar , while for those with third parties, Exchange Rate Standard are determined in US and other currencies, such as Euro(as the example). From the transactions of components of Lopid Fct. On March 2002, the changes of Exchange Rate Standard from the transaction date to the settlement date affected gains and losses (the cumulative was loss of Rp. 4.929.050) that would be included in total Net Income. Moreover with the Cost of Good Sold, the changes on Exchange Rate Standard affected cost of materials (the unfavorable Purchase Price Variance) and also reduced the value of inventory and Product Margin .In general, the trend of changes of Cost of Good Sold from March to April decreased, but increased on May 2002, it was because of the influence of other variances than Purchase Price Variance (which relate to Exchange Rate Standard).

c. Due to the accounting treatment done by PT. Warner Lambert Indonesia, in the initial recognition on the date of transaction, the rate used is Exchange Rate Standard of March, and in the date of settlement (40 days after the transaction date), the rate used is Exchange Rate Standard of April. Because of the changes of Exchange Rate Standard within those months, some exchange differences occurred. The differences are charged or credited to a gain or loss on foreign exchange account, which is affecting Net Income. Further measurement of Cost of Good Sold, inventory and product margin deal with the attribute of historical cost. Then, all of the changes in Net Income will be reported in the income statement and those affecting the inventory will also be shown in the balance sheet. All of the accounting treatments comply with PSAK No. 10.

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PPG COMSOLIDATION REPORT

LATEST ESTIMATE FOR 2002 - IDR (000'S)

Description	**Mar-02**	**Apr-02**	**May-02**	**Q2**
Cost of Sales - At	**2,755,265**	**1,139,333**	**3,466,941**	**7,361,539**
Purchase Price Var.	(34,933)	(85,150)	(59,839)	(179,922)
PPV - Pfizer Imports	44,440	(49,037)	(22,370)	(26,967)
Materials Usage Var.Dos For	27,947	13,100	13,703	54,750
Operating Efficiency Var.	(6,987)	(22,925)	(25,294)	(55,206)
Spending Variance	160,693	(347,150)	32,865	(153,592)
Volume/Mix Variance Dos fr	(160,693)	160,475	(32,231)	(32,449)
Misc Prod. Variance	-	-	-	-
Production Var	**30,467**	**(330,687)**	**(93,167)**	**(393,387)**
Standard Cost Rev. Gen.	-	-	-	-
Standard Cost Rev. Def.	(12,538)	-	-	(12,538)
Exchange Rate Rev. Gen.	*496,965*	*832,269*	*624,883*	*1,954,116*
Exchange Rate Rev. Def.	*(552,725)*	*(658,971)*	*(243,518)*	*(1,455,214)*
Variance Deferrals Gen.	(30,467)	330,687	93,167	393,387
Variance Def. Amortized	(73,520)	(121,358)	(115,126)	(310,004)
Revaluations	**(172,285)**	**382,627**	**359,406**	**569,748**
Cost of Sales - Other	324	(4,659)	1,193,122	1,188,787
TOTAL COST	**2,613,771**	**1,186,614**	**4,926,302**	**8,726,687**

Gross Sales	**7,659,001**	**3,112,251**	**10,486,670**	**21,257,922**
Return & allowance	**-**	**(93)**	**(25,494)**	**(25,587)**
Trade Discount	**(457,000)**	**(450,000)**	**(830,000)**	**(1,737,000)**
Export	**689**	**280**	**944**	**1,913**
Net sales	**7,202,690**	**2,662,159**	**9,632,119**	**19,496,968**

% PC-Stdc to Net sales	38%	43%	36%	38%
% PC-Actual to Net sales	36%	45%	51%	45%

DETAIL OF COST

LOPID 900MG

TYF	PARENT	PMDESC	CODE	PRRESC	PRDESC	QTY	UM	STDC	Stdc@Qty	PMSIZE	COST/UNIT
PH	06144	LOPID FCT 900 MG / 30 'S	D	DL-SOLID-PACK.	DIRECT LABOR SOLID PACKAGING	45	HR	12,523	563,535	3,200	176
PH	06144	LOPID FCT 900 MG / 30 'S	D	DL-TABLET-PROD	DIRECT LABOR TABLET PRODUCTION	82	HR	12,523	1,026,886	3,200	321
PH	06144	LOPID FCT 900 MG / 30 'S	H	FO-SOLID-PACK	FACTORY OVERHEAD PACK.-SOLID	7	HR	92,419	600,724	3,200	188
PH	06144	LOPID FCT 900 MG / 30 'S	H	FO-TABLET-PROD	FACTORY OVERHEAD PROD-TABLET	81	HR	121,332	9,767,226	3,200	3,052
PH	06144	LOPID FCT 900 MG / 30 'S	H	QC-COST-PACK	QC COST FOR PACKING	4	HR	173,735	773,121	3,200	242
PH	06144	LOPID FCT 900 MG / 30 'S	H	QC-COST	QUALITY CONTROL COST	24	HR	173,735	4,213,074	3,200	1,317
PH	06144	LOPID FCT 900 MG / 30 'S	P	I-041	BROSUR LOPID FCT 900 MG	3,350	PC	98	327,463	3,200	102
PH	06144	LOPID FCT 900 MG / 30 'S	P	CT-146	DUS LIPAT LOPID FCT 900 MG	3,350	PC	339	1,136,655	3,200	355
PH	06144	LOPID FCT 900 MG / 30 'S	P	S-015	KARTON 230 X 230 X 185	93	PC	1,725	160,425	3,200	50
PH	06144	LOPID FCT 900 MG / 30 'S	P	F-056	PTP FOIL PRINT	4	KG	111,150	444,600	3,200	139
PH	06144	LOPID FCT 900 MG / 30 'S	P	PV-004	PVC LOPID 300 MIKRON	20	KG	16,380	327,600	3,200	102
PH	06144	LOPID FCT 900 MG / 30 'S	R	364A025	CARBOXYPOLYMETHYL STARCH	2	KG	134,925	218,579	3,200	68
PH	06144	LOPID FCT 900 MG / 30 'S	R	337A007	COL SILICON DIOXIDE /AEROSIL	2	KG	73,500	154,350	3,200	48
PH	06144	LOPID FCT 900 MG / 30 'S	R	000A063	MAGNESIUM STEARATE NF	1	KG	19,950	14,963	3,200	5
PH	06144	LOPID FCT 900 MG / 30 'S	R	A21A026	OPADRY OY-S-7163 WHITE	4	KG	834,225	3,336,900	3,200	1,043
PH	06144	LOPID FCT 900 MG / 30 'S	R	119A012	POLYSORBATE 80 NF.	1	KG	44,000	40,920	3,200	13
PH	06144	LOPID FCT 900 MG / 30 'S	R	760A001	PREGELATINIZED STARCH	16	KG	51,450	802,620	3,200	251
PH	06144	LOPID FCT 900 MG / 30 'S	R	000A179	WATER PURIFIED USP Q.S. TO	10	L	-	-	3,200	-
PH	06144	LOPID FCT 900 MG / 30 'S	R	000A179	WATER PURIFIED USP Q.S. TO	54	L	-	-	3,200	-
PH	**06144**	**LOPID FCT 900 MG / 30 'S**	**DRUG**	**A19A708**	**GEMFIBROZIL POWDER**	**90**	**KG**	**2,554,640**	**229,917,600**	**3,200**	**71,849**

DETAIL INVENTORY

AS OF MAR 2002

LDRESC	LDDLRC	LDLOTN	DIV	CODE	SCL	SSC	RMDESC	QTY	UM	STDC	AMTSTD	LDLOCN
06046	1010721	248071	PPG	B	B1	06	BULK COATED LOPID FCT 900 MG	4,109	PC	2,582	10,609,315	PROD
06046	1011209	294111	PPG	B	B1	06	BULK COATED LOPID FCT 900 MG	5,412	PC	2,582	13,973,622	PROD
06046	1010627	185061	PPG	B	B1	06	BULK COATED LOPID FCT 900 MG	5,912	PC	2,582	15,264,607	R
06046	1010710	186061	PPG	B	B1	06	BULK COATED LOPID FCT 900 MG	15,555	PC	2,582	40,162,543	R
06047	1011122	163101	PPG	B	B1	06	BULK GRANUL LOPID CAP LOCAL	5	KG	1,707,734	8,538,672	F-10
06047	1011122	200101	PPG	B	B1	06	BULK GRANUL LOPID CAP LOCAL	10	KG	1,707,734	17,077,345	F-10
06144	1020213	945101	PPG	F	F1	06	LOPID FCT 900 MG (BLISTER)	2,244	BX	81,211	182,238,142	1202212
06144	1020227	294111	PPG	F	F1	06	LOPID FCT 900 MG (BLISTER)	3,018	BX	81,211	245,095,683	1201111
06144	1020226	000000	PPG	F	F1	06	LOPID FCT 900 MG (BLISTER)	10	BX	81,211	836,476	R
06144	1020124	863012	PPG	F	F1	06	LOPID FCT 900 MG (BLISTER)	3,134	BX	81,211	254,516,194	PROD
06144HK	1020314	564022	PPG	F	F1	06	LOPID FCT 900MG HONGKONG	1,024	BX	81,211	83,160,364	1202112
06144M	1020314	563022	PPG	F	F1	06	LOPID FCT 900MG MALAYSIA	1,504	BX	81,211	122,141,785	1201212
06144M	1020318	180022	PPG	F	F1	06	LOPID FCT 900MG MALAYSIA	1,806	BX	81,211	146,667,596	1200
06147	1011214	200101	PPG	F	F1	06	LOPID CAP 300MG 100'S LOCAL	755	BX	90,484	68,315,080	1201222
06147	1020227	164101	PPG	F	F1	06	LOPID CAP 300MG 100'S LOCAL	997	BX	90,484	90,212,099	1202222
06147	1020227	163101	PPG	F	F1	06	LOPID CAP 300MG 100'S LOCAL	187	BX	90,484	16,920,424	1202211
06147	1020226	000000	PPG	F	F1	06	LOPID CAP 300MG 100'S LOCAL	2	BX	90,484	180,967	R
06147	1010919	469071	PPG	F	F1	06	LOPID CAP 300MG 100'S LOCAL	2,040	BX	90,484	184,586,442	STB
A19A708	1020129	010827910	PPG	R	R1	06	GEMFIBROZIL POWDER	8	KG	2,621,850	20,093,858	1102
A19A708	1020204	020132867	PPG	R	R1	06	GEMFIBROZIL POWDER	106	KG	2,621,850	276,987,965	1102
A19A708	1020204	020132868	PPG	R	R1	06	GEMFIBROZIL POWDER	300	KG	2,621,850	786,555,000	1102
A19A708	1020317	020234109	PPG	R	R1	06	GEMFIBROZIL POWDER	400	KG	2,621,850	1,048,740,000	1102

DETAIL INVENTORY REVAL
AS OF MAR 2002

LDRESC	LDDLRC	LDLOTN	DIV	CODE	SCL	SSC	RMDESC	QTY	UM	STDC 10,200	STDC 9,825	VAL 10,200	VAL 9,825	REVAL	LDLOCN
06046	1010721	248071	PPG	B	B1	06	BULK COATED LOPID FCT 900 MG	4,109	PC	2,582	2,497	10,609,315	10,260,188	349,127	PROD
06046	1011209	294111	PPG	B	B1	06	BULK COATED LOPID FCT 900 MG	5,412	PC	2,582	2,497	13,973,622	13,513,783	459,839	PROD
06046	1010627	185061	PPG	B	B1	06	BULK COATED LOPID FCT 900 MG	5,912	PC	2,582	2,497	15,264,607	14,762,285	502,322	R
06046	1010710	186061	PPG	B	B1	06	BULK COATED LOPID FCT 900 MG	15,555	PC	2,582	2,497	40,162,544	38,840,890	1,321,654	R
06047	1011122	163101	PPG	B	B1	06	BULK GRANUL LOPID CAP LOCAL	5	KG	1,707,734	1,646,684	8,538,672	8,233,422	305,250	F-10
06047	1011122	200101	PPG	B	B1	06	BULK GRANUL LOPID CAP LOCAL	10	KG	1,707,734	1,646,684	17,077,344	16,466,844	610,500	F-10
06144	1020213	945101	PPG	F	F1	06	LOPID FCT 900 MG (BLISTER)	2,244	BX	76,514	73,939	171,697,989	165,918,462	5,779,527	1202212
06144	1020227	294111	PPG	F	F1	06	LOPID FCT 900 MG (BLISTER)	3,018	BX	76,514	73,939	230,920,023	223,147,023	7,773,000	1201111
06144	1020226	000000	PPG	F	F1	06	LOPID FCT 900 MG (BLISTER)	10	BX	76,514	73,939	788,097	761,569	26,528	R
06144	1020124	863012	PPG	F	F1	06	LOPID FCT 900 MG (BLISTER)	3,134	BX	76,514	73,939	239,795,677	231,723,913	8,071,764	PROD
06144HK	1020314	564022	PPG	F	F1	06	LOPID FCT 900MG HONGKONG	1,024	BX	78,398	75,823	80,279,956	77,642,596	2,637,360	1202112
06144M	1020314	563022	PPG	F	F1	06	LOPID FCT 900MG MALAYSIA	1,504	BX	78,064	75,488	117,407,566	113,533,943	3,873,623	1201212
06144M	1020318	180022	PPG	F	F1	06	LOPID FCT 900MG MALAYSIA	1,806	BX	78,064	75,488	140,982,755	136,331,317	4,651,438	1200
06147	1011214	200101	PPG	F	F1	06	LOPID CAP 300MG 100'S LOCAL	755	BX	90,484	87,622	68,315,083	66,154,485	2,160,598	1201222
06147	1020227	164101	PPG	F	F1	06	LOPID CAP 300MG 100'S LOCAL	997	BX	90,484	87,622	90,212,103	87,358,969	2,853,134	1202222
06147	1020227	163101	PPG	F	F1	06	LOPID CAP 300MG 100'S LOCAL	187	BX	90,484	87,622	16,920,425	16,385,283	535,141	1202211
06147	1020226	000000	PPG	F	F1	06	LOPID CAP 300MG 100'S LOCAL	2	BX	90,484	87,622	180,967	175,244	5,723	R
06147	1010919	469071	PPG	F	F1	06	LOPID CAP 300MG 100'S LOCAL	2,040	BX	90,484	87,622	184,586,450	178,748,543	5,837,906	STB
A19A708	1020129	010827910	PPG	R	R1	06	GEMFIBROZIL POWDER	8	KG	2,554,640	2,463,065	19,578,761	18,876,930	701,831	1102
A19A708	1020204	020132867	PPG	R	R1	06	GEMFIBROZIL POWDER	106	KG	2,554,640	2,463,065	269,887,497	260,212,965	9,674,532	1102
A19A708	1020204	020132868	PPG	R	R1	06	GEMFIBROZIL POWDER	300	KG	2,554,640	2,463,065	766,392,000	738,919,500	27,472,500	1102
A19A708	1020317	020234109	PPG	R	R1	06	GEMFIBROZIL POWDER	400	KG	2,554,640	2,463,065	1,021,856,000	985,226,000	36,630,000	1102
												3,525,427,453	**3,403,194,156**	**122,233,297**	

PERNYATAAN
STANDAR AKUNTANSI KEUANGAN

PSAK No.
10

IKATAN AKUNTAN INDONESIA

TRANSAKSI DALAM MATA UANG ASING

Pernyataan Standar Akuntansi Keuangan (PSAK) No. 10 tentang *Transaksi dalam Mata Uang Asing* disetujui dalam Rapat Komite Prinsip Akuntansi Indonesia pada tanggal 24 Agustus 1994 dan telah disahkan oleh Pengurus Pusat Ikatan Akuntan Indonesia pada tanggal 7 September 1994.

Pernyataan ini tidak wajib diterapkan untuk unsur yang tidak material *(immaterial items)*.

Jakarta, 7 September 1994

Pengurus Pusat
Ikatan Akuntan Indonesia

Komite Prinsip Akuntansi Indonesia

Hans Kartikahadi	Ketua
Jusuf Halim	Sekretaris
Hein G. Surjaatmadja	Anggota
Katjep K. Abdoelkadir	Anggota
Wahjudi Prakarsa	Anggota
Jan Hoesada	Anggota
M. Ashadi	Anggota
Mirza Mochtar	Anggota
IPG. Ary Suta	Anggota
Sobo Sitorus	Anggota
Timoty Marnandus	Anggota
Mirawati Soedjono	Anggota

PENDAHULUAN

Tujuan

Suatu perusahaan dapat melakukan aktivitas yang menyangkut valuta asing *(foreign activities)* dalam dua cara; melakukan transaksi dalam mata uang asing atau memiliki kegiatan usaha luar negeri *(foreign operations)*. Untuk memasukkan transaksi dalam valuta asing pada laporan keuangan suatu perusahaan, transaksi harus dinyatakan dalam mata uang pelaporan perusahaan.

Pernyataan ini mengatur akuntansi untuk transaksi dalam mata uang asing yang meliputi penentuan kurs yang digunakan dan pengakuan pengaruh keuangan dari perubahan kurs valuta asing dalam laporan keuangan.

Ruang Lingkup

01 Pernyataan ini harus diterapkan dalam akuntansi untuk transaksi dalam valuta asing.

02 Pernyataan ini mengatur akuntansi *hedge* sebatas selisih kurs dalam transaksi *hedge*. Aspek lain dari akuntansi *hedge* diatur dalam standar akuntansi keuangan terkait.

03 Pernyataan ini tidak mengatur tentang penjabaran laporan keuangan dari kegiatan usaha luar negeri untuk tujuan konsolidasi, atau konsolidasi parsial, atau melalui penerapan dengan metode ekuitas (lihat Pernyataan Standar Akuntansi Keuangan No. 11 tentang *Penjabaran Laporan Keuangan dalam Mata Uang Asing*).

04 Pernyataan ini tidak mengatur penyajian laporan arus kas tentang arus kas yang bersumber dari transaksi valuta asing (lihat Pernyataan Standar Akuntansi Keuangan No. 2 tentang *Laporan Arus Kas*).

Definisi

05 Berikut adalah pengertian istilah yang digunakan dalam Pernyataan ini:

Kegiatan usaha luar negeri (foreign operation) adalah suatu anak perusahaan *(subsidiary)*, perusahaan asosiasi *(associates)*, usaha patungan *(joint venture)* atau cabang perusahaan pelapor, yang aktivitasnya dilaksanakan di suatu negara di luar negara perusahaan pelapor. Kegiatan usaha tersebut dapat merupakan suatu bagian integral dari suatu perusahaan pelapor atau suatu entitas asing.

Entitas asing (foreign entity) adalah suatu kegiatan usaha luar negeri *(foreign operation)*, yang aktivitasnya bukan merupakan suatu bagian integral dari perusahaan pelapor.

Mata uang pelaporan adalah mata uang yang digunakan dalam menyajikan laporan keuangan.

Mata uang asing adalah mata uang selain mata uang pelaporan suatu perusahaan.

Kurs adalah rasio pertukaran dua mata uang.

Selisih kurs (exchange difference) adalah selisih yang dihasilkan dari pelaporan jumlah unit mata uang asing yang sama dalam mata uang pelaporan pada kurs yang berbeda.

Kurs penutup (closing rate) adalah nilai tukar spot pada tanggal neraca.

Investasi neto dalam suatu entitas asing adalah bagian *(share)* perusahaan pelapor dalam aktiva neto suatu entitas asing.

Pos moneter adalah kas dan setara kas, aktiva dan kewajiban yang akan diterima atau dibayar yang jumlahnya pasti atau dapat ditentukan.

Nilai wajar (fair value) adalah suatu jumlah yang dapat digunakan sebagai dasar pertukaran aktiva atau penyelesaian kewajiban antara pihak yang paham *(knowledgeable)* dan berkeinginan untuk melakukan transaksi wajar *(arms's length transaction)*.

PENJELASAN

Pengakuan Awal

06 Suatu transaksi dalam mata uang asing adalah suatu transaksi yang didenominasi atau membutuhkan penyelesaian dalam suatu mata uang asing, termasuk transaksi yang timbul ketika suatu perusahaan:

(a) membeli atau menjual barang atau jasa yang harganya didenominasi dalam suatu mata uang asing;
(b) meminjam (hutang) atau meminjamkan (piutang) dana yang didenominasi dalam suatu mata uang asing;
(c) menjadi suatu pihak untuk suatu perjanjian dalam valuta asing yang belum terlaksana; atau

(d) memperoleh atau melepaskan aktiva, menimbulkan atau melunasi kewajiban, yang didenominasi dalam suatu mata uang asing.

07 Transaksi dalam mata uang asing dibukukan dengan menggunakan kurs pada saat terjadinya transaksi.

08 Kurs tunai yang berlaku pada tanggal transaksi sering disebut kurs spot *(spot rate)*. Untuk alasan praktis, suatu kurs yang mendekati kurs tanggal transaksi sering digunakan, contohnya, suatu kurs rata-rata selama seminggu atau sebulan mungkin digunakan untuk seluruh transaksi dalam setiap mata uang asing yang terjadi selama periode itu. Namun, jika kurs berfluktuasi secara signifikan, penggunakan kurs rata-rata untuk satu periode tidak dapat diandalkan.

Pelaporan Pada Tanggal Neraca Berikutnya

09 Pada setiap tanggal neraca:

(a) pos aktiva dan kewajiban moneter dalam mata uang asing dilaporkan ke dalam mata uang rupiah dengan menggunakan kurs tanggal neraca. Apabila terdapat kesulitan dalam menentukan kurs tanggal neraca, maka dapat digunakan kurs tengah Bank Indonesia sebagai indikator yang obyektif;

(b) pos non-moneter tidak boleh dilaporkan dengan menggunakan kurs tanggal neraca tetapi tetap harus dilaporkan dengan menggunakan kurs tanggal transaksi; dan

(c) pos non-moneter yang dinilai dengan nilai wajar dalam mata uang asing harus dilaporkan dengan menggunakan kurs yang berlaku pada saat nilai tersebut ditentukan.

10 Nilai terbawa dari suatu pos ditentukan sesuai dengan standar akuntansi yang relevan. Misalnya, instrumen keuangan dan properti tertentu (investasi yang dilakukan Dana Pensiun), mungkin dinilai pada nilai wajar atau pada biaya historis. Apakah nilai tercatat ditentukan berdasarkan biaya historis atau nilai wajar, nilai yang ditentukan untuk pos valuta asing dilaporkan pada mata uang pelaporan sesuai dengan Pernyataan ini.

Pengakuan Selisih Kurs *(Recognition of Exchange Differences)*

11 Paragraf 13 hingga 17 menjelaskan perlakuan akuntansi yang diharuskan Pernyataan ini sehubungan dengan selisih kurs atas transaksi dalam mata uang asing. Paragraf tersebut juga mencakup perlakuan wajib *(benchmark treatment)* untuk selisih kurs sebagai akibat devaluasi atau depresiasi luar biasa suatu mata uang yang tidak

memungkinkan dilakukannya *hedging* dan yang menimbulkan kewajiban tak terselesaikan sehubungan dengan perolehan aktiva dalam mata uang asing.

Perlakuan alternatif yang diizinkan untuk selisih kurs seperti itu dijelaskan dalam paragraf 20.

12 Pernyataan ini mengatur akuntansi *hedge* sebatas selisih kurs dalam transaksi *hedge*. Aspek lain dari akuntansi *hedge* diatur dalam standar akuntansi keuangan terkait.

13 Kecuali untuk hal-hal yang diuraikan dalam paragraf 16 dan 18, selisih penjabaran pos aktiva dan kewajiban moneter dalam mata uang asing pada tanggal neraca dan laba rugi kurs yang timbul dari transaksi dalam mata uang asing dikreditkan atau dibebankan pada laporan laba rugi periode berjalan.

14 Selisih kurs timbul apabila terdapat perubahan kurs antara tanggal transaksi dan tanggal penyelesaian *(settlement date)* pos moneter yang timbul dari transaksi dalam mata uang asing. Bila timbulnya dan penyelesaian suatu transaksi berada dalam suatu periode akuntansi yang sama, maka seluruh selisih kurs diakui dalam periode tersebut. Namun jika timbulnya dan diselesaikannya suatu transaksi berada dalam beberapa periode akuntansi, maka selisih kurs harus diakui untuk setiap periode akuntansi dengan memperhitungkan perubahan kurs untuk masing-masing periode.

Transaksi Valuta Berjangka

15(a) Salah satu transaksi valuta berjangka SWAP adalah transaksi pertukaran dua valuta asing melalui pembelian tunai dengan penjualan kembali secara berjangka atau penjualan tunai dengan pembelian kembali secara berjangka. Pada hakikatnya transaksi tersebut dilakukan untuk lebih mendapatkan kepastian tentang kurs penjabaran yang bersifat tetap selama dalam kontrak sehingga pembuat transaksi terhindar dari kerugian akibat perubahan kurs. Dalam transaksi SWAP pembuat transaksi umumnya memperhitungkan premi yang ditetapkan terlebih dahulu.

(b) Perlakuan akuntansi transaksi valuta berjangka yang dilakukan untuk tujuan *hedging* hutang adalah sebagai berikut:

(i) Selisih kurs tunai *(spot rate)* dan kurs masa depan *(forward rate)* dicatat sebagai diskonto atau premi yang harus diamortisasi sesuai dengan jangka waktu kontrak valuta berjangka.

(ii) Setiap akhir periode harus dihitung selisih kurs untuk hutang dalam mata uang asing (yang diproteksi melalui *hedging*), *forward receivable* dan *forward payable* dalam mata uang asing. Selisih kurs yang timbul sebagai akibat perbedaan antara kurs tanggal neraca dengan kurs tunai pada saat terjadinya transaksi diakui sebagai keuntungan atau kerugian kurs periode berjalan.

(iii) Dalam neraca, *forward receivable* atau *forward payable*, dan diskonto atau premi yang belum diamortisasi yang timbul dari kontrak valuta berjangka yang berhubungan harus dijadikan satu di bagian aktiva atau kewajiban, tergantung pada posisi neto dari seluruh pos tersebut.

Investasi Neto dalam suatu Entitas Asing

16 Selisih kurs yang timbul pada suatu pos moneter yang dalam substansinya membentuk bagian investasi neto perusahaan dalam suatu entitas asing harus diklasifikasikan sebagai ekuitas dalam laporan keuangan perusahaan hingga saat pelepasan *(disposal)* investasi neto dan pada saat tersebut harus diakui sebagai pendapatan atau beban (lihat Pernyataan Standar Akuntansi Keuangan No. 11 tentang *Penjabaran Laporan Keuangan dalam Mata Uang Asing).*

17 Suatu perusahaan mungkin memiliki suatu pos moneter berupa hutang piutang dengan suatu entitas asing. Apabila timbulnya dan penyelesaian pos moneter tersebut tidak terencana, dalam substansinya merupakan suatu perluasan, atau pengurangan dari, investasi neto perusahaan dalam entitas asing tersebut. Pos moneter itu mungkin mencakup piutang jangka panjang atau pinjaman tetapi tidak mencakup piutang dagang atau hutang dagang.

18 Selisih kurs yang timbul dari kewajiban valuta asing yang diperhitungkan sebagai suatu *hedging* dari investasi neto perusahaan dalam suatu entitas asing harus diklasifikasikan sebagai ekuitas dalam laporan keuangan perusahaan hingga pelepasan *(disposal)* investasi neto, dan pada saat tersebut harus diakui sebagai pendapatan atau sebagai beban (lihat Pernyataan Standar Akuntansi Keuangan No. 11 tentang *Penjabaran Laporan Keuangan dalam Mata Uang Asing*).

Perlakuan Alternatif yang Diizinkan

19 Perlakuan wajib *(benchmark treatment)* untuk selisih kurs pada paragraf 20 dijelaskan pada paragraf 13.

20 Selisih kurs dapat disebabkan karena suatu devaluasi atau depresiasi luar biasa suatu mata uang dalam keadaan tidak tersedia fasilitas *hedging* dan menimbulkan kewajiban yang tak terselesaikan akibat perolehan aktiva yang baru saja dilakukan dan harus dilunasi dalam mata uang asing. Selisih kurs tersebut dapat dimasukkan sebagai nilai tercatat *(carrying amount)* aktiva tersebut sepanjang nilai tercatat aktiva yang

telah disesuaikan tidak melebihi jumlah terendah antara biaya pengganti *(replacement cost)* dan jumlah yang dapat diperoleh kembali *(amount recoverable)* dari penjualan atau penggunaan aktiva tersebut. Alternatif yang dipilih harus diungkapkan secukupnya.

21 Selisih kurs tidak termasuk dalam nilai tercatat suatu aktiva jika tersedia fasilitas *hedging* hutang valuta asing yang timbul dari perolehan aktiva. Tetapi, kerugian akibat perubahan kurs adalah bagian yang secara langsung dapat diatribusikan pada biaya perolehan aktiva jika kewajiban tidak dapat diselesaikan dan tidak terdapat alat praktis untuk *hedging*, contohnya, jika sebagai hasil dari pengendalian valuta asing, terdapat penundaan dalam memperoleh mata uang asing. Maka dalam keadaan demikian biaya perolehan aktiva termasuk selisih kurs.

Pengungkapan

22 Perusahaan harus mengungkapkan:

(a) jumlah selisih kurs yang diperhitungkan dalam laba neto atau kerugian untuk periode tersebut;

(b) selisih kurs neto yang diklasifikasikan dalam kelompok ekuitas sebagai suatu unsur yang terpisah, dan rekonsiliasi selisih kurs tersebut pada awal dan akhir periode; dan

(c) jumlah selisih kurs yang timbul selama periode, yang termasuk dalam nilai tercatat suatu aktiva sesuai dengan perlakuan alternatif yang diizinkan dalam paragraf 20.

23 Perusahaan mengungkapkan dampak atas pos-pos moneter mata uang asing sehubungan dengan suatu perubahan dalam kurs yang terjadi setelah tanggal neraca jika perubahan tersebut sedemikian besar sehingga bila tidak diungkapkan akan mempengaruhi kemampuan pembaca laporan keuangan untuk membuat evaluasi dan keputusan yang tepat (lihat Pernyataan Standar Akuntansi Keuangan No. 8 tentang *Kontinjensi dan Peristiwa Setelah Tanggal Neraca)*.

24 Pengungkapan juga diperlukan sehubungan dengan kebijakan manajemen risiko mata uang asing.

PERNYATAAN STANDAR AKUNTANSI KEUANGAN NOMOR 10

TRANSAKSI DALAM MATA UANG ASING

Pernyataan Standar Akuntansi Keuangan No. 10 terdiri dari paragraf 25 - 35. Pernyataan ini harus dibaca dalam konteks paragraf 1 - 24.

25 Pernyataan ini harus diterapkan dalam akuntansi untuk transaksi dalam valuta asing.

Pengakuan Awal

26 Transaksi dalam mata uang asing dibukukan dengan menggunakan kurs pada saat terjadinya transaksi.

Pelaporan Pada Tanggal Neraca Berikutnya

27 Pada setiap tanggal neraca:

(a) pos aktiva dan kewajiban moneter dalam mata uang asing dilaporkan ke dalam mata uang rupiah dengan menggunakan kurs tanggal neraca;

(b) pos non-moneter tidak boleh dilaporkan dengan menggunakan kurs tanggal neraca tetapi tetap harus dilaporkan dengan menggunakan kurs tanggal transaksi; dan

(c) pos non-moneter yang dinilai dengan nilai wajar dalam mata uang asing harus dilaporkan dengan menggunakan kurs yang berlaku pada saat nilai tersebut ditentukan.

Pengakuan Selisih Kurs *(Recognition of Exchange Differences)*

28 Kecuali untuk hal-hal yang diatur dalam paragraf 31 dan 32, selisih penjabaran pos aktiva dan kewajiban moneter dalam mata uang asing pada tanggal neraca dan laba rugi kurs yang timbul dari transaksi dalam mata uang asing dikreditkan atau dibebankan pada laporan laba rugi periode berjalan.

Transaksi Valuta Berjangka

29(a) Salah satu transaksi valuta berjangka SWAP adalah transaksi pertukaran dua valuta asing melalui pembelian tunai dengan penjualan kembali secara berjangka atau penjualan tunai dengan pembelian kembali secara berjangka. Pada hakikatnya transaksi tersebut dilakukan untuk lebih mendapatkan kepastian tentang kurs penjabaran yang bersifat tetap selama dalam kontrak sehingga pembuat transaksi terhindar dari kerugian akibat perubahan kurs. Dalam transaksi SWAP pembuat transaksi umumnya memperhitungkan premi yang ditetapkan terlebih dahulu.

(b) Perlakuan akuntansi transaksi valuta berjangka yang dilakukan untuk tujuan *hedging* hutang adalah sebagai berikut:

(i) Selisih kurs tunai *(spot rate)* dan kurs masa depan *(forward rate)* dicatat sebagai diskonto atau premi yang harus diamortisasi sesuai dengan jangka waktu kontrak valuta berjangka.

(ii) Setiap akhir periode harus dihitung selisih kurs untuk hutang dalam mata uang asing (yang diproteksi melalui *hedging*), *forward receivable* dan *forward payable* dalam mata uang asing. Selisih kurs yang timbul sebagai akibat perbedaan antara kurs tanggal neraca dengan kurs tunai pada saat terjadinya transaksi diakui sebagai keuntungan atau kerugian kurs periode berjalan.

(iii) Dalam neraca, *forward receivable* atau *forward payable*, dan diskonto atau premi yang belum diamortisasi yang timbul dari kontrak valuta berjangka yang berhubungan harus dijadikan satu di bagian aktiva atau kewajiban, tergantung pada posisi neto dari seluruh pos tersebut.

Investasi Neto dalam suatu Entitas Asing

30 Selisih kurs yang timbul pada suatu pos moneter yang dalam substansinya membentuk bagian investasi neto perusahaan dalam suatu entitas asing harus diklasifikasikan sebagai ekuitas dalam laporan keuangan perusahaan hingga saat pelepasan *(disposal)* investasi neto dan pada saat tersebut harus diakui sebagai pendapatan atau beban (lihat Pernyataan Standar Akuntansi Keuangan No. 11 tentang *Penjabaran Laporan Keuangan dalam Mata Uang Asing)*.

31 Selisih kurs yang timbul dari kewajiban valuta asing yang diperhitungkan sebagai suatu *hedging* dari investasi neto perusahaan dalam suatu entitas asing harus diklasifikasikan sebagai ekuitas dalam laporan keuangan perusahaan hingga pelepasan *(disposal)* investasi neto, dan pada saat tersebut harus diakui sebagai pendapatan atau sebagai beban (lihat Pernyataan Standar Akuntansi Keuangan No. 11 tentang *Penjabaran Laporan Keuangan dalam Mata Uang Asing)*.

Perlakuan Alternatif yang Diizinkan

32 Selisih kurs dapat disebabkan karena suatu devaluasi atau depresiasi luar biasa suatu mata uang di mana tidak mungkin dilakukan *hedging* dan menimbulkan kewajiban