

THE FINANCIAL AND NON-FINANCIAL INFORMATION DIRECTIVE: AN INVESTOR
ASSESSMENT TO STOCK PRICE (EXPERIMENTAL STUDY)

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Abstract

The belief-adjustment model emphasizes the order of presentation information. Order effects occur when decisions made by individuals differ after receiving evidence in a different order. In order of evidence, the characteristics of the evidence are mixed between confirmative (positive) information and unconfirmed (negative) information. Phenomena regarding the effects of orders can occur when assessing new evidence and subsequent evidence. Adjustments made will be based on insufficient additional evidence.

This research is an experimental study that aims to test that the presentation of information in step by step (SbS) will have a better impact than the end of sequence (EoS). In addition, the order value of information between good news and bad news can affect the valuation of company shares. A total of 8 instruments containing a combination of information patterns (Sbs vs Eos) and information values (++/++, ++/--, --/++ and --/--) are used as a source of stock valuation. ANOVA analysis and independent sample t test was used for analysis. The results found that the SbS pattern can provide a better stock valuation on information ++/-- while for other information is still less meaningful. In addition, information ++/-- provides higher valuation information compared to --/++ information both on information presented with SbS and EoS patterns

Keywords: Step by Step, End of Sequence, Stock prices