



ANALYSIS OF FINANCIAL STATEMENTS ON INVESTMENT DECISIONS IN ONLINE SHOP COMPANIES LISTED ON THE INDONESIAN STOCK EXCHANGE

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ARTICLE INFORMATION	ABSTRACT
<i>Article History:</i> Received 16 Juni, 2025 Revised 23 Juli, 2025 Published 25 Oktober, 2025 <i>Keyword:</i> Financial Statements, Investment Decisions, Return on Equity (ROE)	<i>The development of e-commerce companies listed on the Indonesia Stock Exchange (IDX) emphasizes the need for financial statement analysis as a basis for investment decision-making. This study aims to evaluate the effect of financial statements on investment decisions in e-commerce companies using a laboratory experiment method. The study applied a posttest control group design, involving 36 participants divided into two manipulation groups: good and poor financial performance disclosure. Data analysis was performed using a Repeated Measures t-Test to assess the difference in investment responses between the two conditions. The results show that financial statements, particularly the Return on Equity (ROE) ratio, have a significant influence on investment decisions, with participants more likely to invest in companies with good financial performance. These findings emphasize the importance of transparency and quality in financial reporting in building investor confidence, while also recommending that companies avoid manipulating financial ratios in order to maintain the credibility of their reports.</i>
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1. Introduction

The development of the capital market in Indonesia in recent years has shown an increase in retail investor participation and market value growth, thus requiring the availability of accurate and transparent financial information as a basis for investment decision-making. Increased market activity and capitalization have strengthened the position of financial statements as the main source of information for individual and institutional investors (OJK 2024, n.d.). The quality of financial statement disclosure, including the completeness, consistency, and reliability of financial figures, is an important factor in shaping investors'

assessments of a company's prospects. Among the measures commonly used, profitability ratios such as Return on Equity (ROE) are seen as key indicators of a company's ability to generate profits on its own capital, and are therefore often used as a reference in investment decision-making (Handayani & Karnawati, 2021). The signaling theory framework explains that management decisions and performance results reflected in financial reports can reduce information asymmetry between management and investors, thus acting as a signal of company quality. However, most research linking financial ratios to investment behavior is correlational, and experimental evidence manipulating signal quality (e.g., variations in ROE) to test the causal effect on investment decisions is still limited. Therefore, an experimental approach is needed to identify a stronger causal relationship (Utami & Nahartyo, 2016). The rapid development of the e-commerce sector and the increase in the capitalization of several online shop companies listed on the Indonesia Stock Exchange have created a special context for investment decision-making. The shift in consumption patterns to online platforms and the nature of digital businesses have led to variations in revenue patterns, cost structures, and reporting strategies that can influence how investors interpret financial signals. Therefore, studies focusing on e-commerce companies are relevant to understanding the dynamics of financial statement signals in this sector. Based on these conditions, this study designed a posttest control group experiment to manipulate the quality of performance disclosure (high ROE vs. low ROE) and observe its impact on participants' investment decisions. The experimental approach is expected to provide causal evidence regarding the role of ROE as a signal that influences

The stock purchase decisions and offer practical implications for companies, investors, and regulators regarding the importance of transparency and consistency in disclosure. Problem Statement Based on the background description, the main problem studied is formulated as follows: do financial reports (with a focus on the quality of ROE signals) influence investment decisions in online shop companies listed on the Indonesia Stock Exchange? Research Objectives This study aims to analyze the effect of financial statements on investment decisions, with a focus on the role of Return on Equity (ROE) signals in influencing investment preferences in online shop companies.

2. Literatur Review

2.1. Signaling Theory

Signaling theory explains how companies convey information to external parties through financial reports. This information serves to reduce information asymmetry between management and investors (Spence, 1973). Return on Equity (ROE) is considered an important signal because it reflects a company's ability to manage capital to generate profits. Companies with high ROE tend to be perceived as having better profit quality, thereby increasing investor confidence (Hwang & Tobing, 2022).

2.2 Financial Statements

Financial statements are the primary medium used to assess a company's financial condition, performance, and prospects. These statements have two main characteristics, namely relevance and reliability. Relevance is demonstrated by the ability of information to influence the economic decisions of users, while reliability is reflected in information that is error-free, complete, and trustworthy (Sukamulja, 2022).

2.3 Financial Statement Analysis

Financial statement analysis forms the basis for investment decision-making. Financial ratios such as liquidity, solvency, and profitability are used to measure a company's performance (Adriele & Yasin, 2023). In this study, the focus is on profitability ratios, particularly ROE, because they are sensitive to managerial actions and are often used by investors to assess a company's prospects (Angraini & Yasyak, 2023).

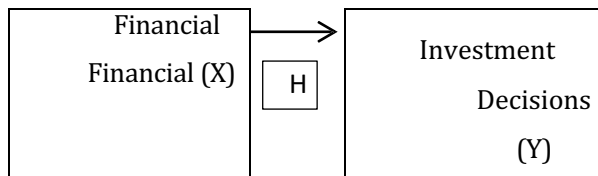
2.4. Budget DuPont Analysis and Model Signal Strength

DuPont is used to analyze the relationship between profit margin, asset turnover, and leverage in generating ROE. This model provides a more comprehensive understanding of the factors that affect a company's profitability (Angraini & Yasyak, 2023). Thus, ROE is not just a single number, but the result of the interaction of various financial components that can be used as strategic signals for investors. Investment Decisions Investment decisions are capital investments that are expected to provide future returns. Rational investors consider expected returns and inherent risks before making

decisions (Siregar & Anggraeni, 2022). Therefore, transparent, accurate, and timely financial reports are an important basis for the investment decision-making process (Omotayo et al., 2024).

Conceptual Framework

Figure 2.1 Conceptual Framework



The conceptual framework of this study confirms that financial statements (independent variable) act as signals that influence investment decisions (dependent variable). From this, the hypothesis proposed is: financial statements influence investment decisions (Olayinka, 2022).

3. Research Methodology

3.1 Research Design

Type and Approach of Research This uses a quantitative with a laboratory experiment. The quantitative approach was chosen because it is capable of testing hypotheses objectively through statistical analysis. Meanwhile, experiments were chosen to determine the causal relationship between independent variables (financial reports with a focus on ROE) and dependent variables dependent (investment decisions) (Ertambang Nahartyo & Utami I, 2016).

3.2. Population and Sample

The research population consists of all retail investors and prospective investors in Indonesia. The sample was selected using purposive sampling, namely students who are members of the IDX Investment Gallery and novice investors who meet certain investment experience criteria. This selection was made so that the respondents could represent actual investors who make decisions based on financial report information (Sugiyono, 2018).

3.3. Data Collection Technique

Data was collected through the distribution of a Google Form-based questionnaire containing the experiment scenario. Respondents were given instructions, read the manipulated financial statements, and then answered their investment decisions. This technique was chosen because it is practical, efficient, and reaches a large number of participants (Sugiyono, 2018).

3.4. Research Variables

There are two main in this study:

1. Independent variable: financial reports, specifically Return on Equity (ROE) signals.
2. Dependent variable: investment decisions, measured through participants' responses to the financial information presented.

The use of ROE as a signal is based on literature that confirms the importance of profitability indicators in investment decision-making (Anggraini & Khoiriawati, 2023).

3.5. Experimental Design

The study applied a Completely Randomized Factorial Design (CR-p) with treatments in the form of variations in financial information. Respondents were divided into several treatment groups at random to minimize bias and ensure internal validity (Ertambang Nahartyo & Utami I, 2016). This experiment was conducted by presenting online shop financial statement scenarios that had been manipulated according to the research needs

3.6. Research Instrument

The research instrument was an experimental questionnaire containing financial report scenarios of online shops. Respondents were asked to make investment decisions after reading the information. The questionnaire was tested for validity and reliability before use to ensure that the instrument is capable of accurately measuring the variables (Sugiyono, 2018).

3.7. Data Analysis Techniques

The collected data were analyzed using t-tests and ANOVA to determine whether there were significant differences between treatment groups. This analysis aimed to test the hypothesis that variations in the quality of financial statement information affect investment decisions. The statistical test results were then interpreted narratively to answer the research questions (Ghozali, 2018).

4. Results and Discussion

4.1 Experiment Participants

Overall, this experiment involved 36 participants. Of these, 30 participants (83%) were male, while the rest were female. (83%) of the participants were aged 30-40 years old, (14%) were aged 41-50 years old, and (3%) were aged >50 years old. All participants were master's degree graduates with a background in economics (31%) and non-economics (69%) and were retail investors with at least 2 years of experience in the capital market. This ensured a diversity of perspectives in investment decision-making. Participants with a monthly income of IDR 5 million to IDR 10 million accounted for 89%, and those with an income greater than IDR 10 million accounted for 11%. Overall, the experiment involved 36 participants or subjects with different occupations, namely 17 participants (47%) from other private companies, 15 participants (42%) from Government Institutions, and 4 participants (11%) from Higher Education.

4.2. Completely Randomized Analysis (Repeated Measures t Test)

This study used a Completely Randomized Design with a Repeated Measures t-Test approach. This study used two types of corporate performance disclosure to draw conclusions about its effect on investment decisions. In this design, participants randomly received two treatments, namely good performance disclosure and poor performance disclosure (Ghozali, 2018). The analysis of the data was conducted using the Repeated Measures t-Test technique with IBM SPSS software at a significance level of 0.05.

Tabel 4.2 Paired Samples Statistics

		Paired Samples Statistics			
		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Kinerja Buruk	14.72	36	24.435	4.072
	Kinerja Baik	56.94	36	37.019	6.170

Sumber: Data diolah

Tabel 4.3 Paired Samples Test

Paired Samples Test								
		Paired Differences						
		Mean	Std. Deviation	Std. Error	95% Confidence Interval of the Difference		t	Sig. (2-tailed)
			n	Mean	Lower	Upper		
Pair 1		-42.222	36.887	6.148	-54.703	-29.742	-6.868	.00
	Kinerja Buruk							
	Kinerja Baik							

Sumber: Data diolah

The analysis results show that in the first manipulation, when participants received the company's financial performance report using Return on Equity (ROE) analysis, the average investment decision under poor performance conditions was 14.72 (M = 14.72; SD = 37.019). Meanwhile, under good performance conditions, the average investment decision increased to 56.94 (M = 56.94; SD = 24.435), so that there was an average difference of 42.2. This difference is statistically

significant, as indicated by a t-value of -6.868 with $p = 0.000$ ($p < 0.05$). Since the significance value is less than 0.05, the null hypothesis H_0 is rejected and the alternative hypothesis H_1 is accepted, meaning that there is a difference in investment decisions between poor and good financial performance disclosure conditions. Furthermore, the test results show that after receiving poor financial performance reports, the average investment decision of participants decreased from 56.94 to 14.72. This finding confirms that financial performance disclosure has a significant effect on investment decisions.

The t-test results confirm H_a : Financial reports with positive ROE signals influence investment decisions more than negative signals, as predicted in the signaling theory framework.

4.3. Manipulation Test

Manipulation checks are procedures that aim to ensure that the manipulation of independent variables in an experiment successfully influences the targeted psychological aspects (Ejelöv & Luke, 2020). Before being used in the main experiment, the manipulation design is first tested to ensure its suitability for the research objectives. The manipulation check process is carried out several times to confirm that the independent variables have worked as expected by the researcher and to obtain the appropriate manipulation device.

Understanding Simulation Instructions

Table 4.1 Understanding of Simulation Instructions

No.	Question	Conclusion
1.	Do you understand the simulation instructions provided?	100 Understand
2.	In your opinion, do the simulation participants act as investors?	90% Act as investors

Source: Processed data

Conclusions from the questions provided by participants in the manipulation test states that participants understood the simulation instructions provided and the majority of participants acted as investors.

4.4. Simulation Bias

Simulation bias in this experiment can be interpreted as conditions or confounding variables that can influence investment decision-making that are not caused by independent variables.

Table 4.2 Bias in Simulation

No.	Question	Conclusion
1	Can an incentive in the form of Rp20,000 in phone credit influence participants' decisions to donate donations in the simulation?	70% answered "no." This means that providing an incentive of Rp15,000 in phone credit does not affect investment.
2.	Should the incentive in the form of phone credit worth Rp15,000 be replaced with lunch worth Rp20,000?	70% answered "yes." This means participants prefer lunch.

Source: Processed data

4.5. Adequacy of Simulation Tools

Table 4.3 Adequacy of Simulation Equipment

No.	Questions	Conclusion
1.	According to you, is the simulation device too ?	80% answered "no"
2.	According to you, is the simulation device too time-consuming and boring?	80% answered "no"

Source: Processed data

The conclusion from the answers given is that most participants in the manipulation test considered the simulation to be not too complicated, not time-consuming, and not boring. However, the simulation tool should be simplified to make it more concise and easier to understand.

Similarity of Simulation to Real Conditions Based on the results of the last question regarding the level of similarity between the simulation and real conditions, it was found that the majority of participants, around 80%, stated that the simulation used in the manipulation test sufficiently similar to real-world conditions. These results indicate that the simulation tools designed by the researchers can be accepted by participants as a relevant representation **of real-world investment decision-making situations.**

4.6. Randomization Test

Based on the results of the last question regarding the level of similarity between the simulation and real conditions, it was found that the majority of participants, around 80%, stated that the simulation used in the manipulation test sufficiently resembled real conditions. These results indicate that the simulation device designed by the researchers can be accepted by participants as a relevant representation of investment decision-making situations in actual practice.

Table 4.4 Summary of Randomization Test Results

Type of Test	Test Results	Conclusion
<i>Chi-Square</i>	Mean asymp value <0.05	There is a significant difference between cells.
Normality Test	The KZS value of 0.189 and Asymp. Sig. of 0.059 are greater than 0.05	All variables are normally distributed.

Type of Test	Test Results	Conclusion
ANOVA	F value of 10.484 with a significance level of 0.005 or < 0.05	There is a significant difference in the number of investment decisions between the two different types of manipulation (treatment). This significant difference indicates that the manipulation has been effective. effectively.
<i>Homogeneity</i>	The significance value for investment decisions based on the type of manipulation is 0.495	The investment decision data according to the type of manipulation (disclosure) shows uniform or equivalent

4.7. Discussion

The results of the study prove that financial reports, especially ROE, influence investment decisions. Respondents are more likely to choose to invest in companies with high ROE values, as they are considered to reflect the effectiveness of management in generating profits. These findings are in line with previous studies that confirm the role of profitability as a determinant of investment decisions (Anggraini & Khoirawati, 2023).

In addition, the results of the experiment indicate that even novice investors can be influenced by simple variations in financial signals. This shows the importance of financial literacy so that investors do not rely solely on one financial ratio, but also consider risk factors, industry prospects, and the quality of disclosure (Oehlert, 2010). Theoretically, this study reinforces the relevance of signal theory in the context of investment decisions in the Indonesian capital market. Practically, these findings can serve as a guide for investors to be more critical in assessing financial statement information and for companies to improve the quality of disclosure to attract investor interest.

5. Conclusion and suggestion

5.1. Conclusion

This study proves that financial reports, particularly Return on Equity (ROE) signals, have a significant effect on investment decisions. Respondents are more likely to choose companies with high ROE values because they are considered indicators of effective managerial performance. These results reinforce the relevance of signal theory (Spence, 1973), which states that financial information serves as an instrument to reduce information asymmetry between companies and investors. Furthermore, the study shows that even novice investors can be influenced by simple variations in financial information. This condition emphasizes the importance of improving financial literacy so that investors are able to conduct more comprehensive evaluations, not only focusing on a single profitability ratio but also considering risk factors, industry prospects, and disclosure quality (Bestari & Chasanah, 2023). Overall, the findings of this study support previous studies that state that profitability has an influence on investment preferences (Febianty, Nisa, & Yustisiana, 2023). With thus, this study provides empirical contributions to the literature on the relationship between financial statements and investment decisions in the Indonesian capital market, particularly in the e-commerce sector.

5.2. Suggestion

1. For investors, it is recommended not to rely solely on a single indicator such as ROE, but also consider other aspects such as market risk, industry prospects, and corporate governance before making investment decisions.
2. For Companies, it is important to improve the quality and transparency of financial reporting, as good quality information can attract investors and enhance the company's reputation.
3. For future researchers, research can be expanded by involving a more diverse sample of investors, using other financial variables, or applying a field experiment approach to make the research results more comprehensive.

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