

FROM DISTANCE EDUCATION TO MOOCS IN TAIWAN

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Abstract

This study introduces the development of massive open online courses (MOOCs) in Taiwan's higher education. Starting from the history of distance education and the recent open education movement, we place focus on exploring MOOC experiences in Taiwan. We interviewed three practitioners at a local university and reviewed MOOC experiences published by other universities. We categorized our findings into five themes, including goals of MOOCs at a university level, recruitment of MOOC faculty, design and development of MOOCs, strategies for fostering interaction, and uses of MOOCs. According to the findings, we discussed the challenges posed by MOOCs, including incentives to recruit faculty members, the amount of time and effort placed in developing MOOCs, and strategies used to engage learners. We also discussed the opportunities that MOOCs bring to Taiwan from global and local perspectives, including transforming higher education into a learner-centered paradigm of education. We hope MOOCs will continue to stimulate learners to communicate and collaborate, to achieve personal goals, to contribute to communities, and to advance society in Taiwan, which may be a way for educators to get closer to their ultimate goal of education.

Keywords: MOOCs in Taiwan, distance education in Taiwan, open education, online interaction

JAPANESE RESIDENTS IN WARTIME BEIJING FOUND IN HOKUSHI (THE NORTH CHINA)

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ABSTRACT

This presentation focuses on the life of Japanese community and residents in Beijing during the wartime period of the late 1930s and the early 1940s. There is today rich literature on modern Sino-Japanese relations generally speaking, while a small number of previous studies have dealt with Japanese residents and communities on the Chinese continent before 1945. Although Beijing competed with Shanghai over the status of the largest Japanese community in wartime China, studies on the former are scarce even in comparison to those on the latter. The history of the Japanese community in Beijing can be traced back to the very beginning of the twentieth century, and its residents called their own community “Beijing Village (Pekin mura)” prior to the 1930s. The “village” turned to be one of the largest Japanese communities at the very beginning of the 1940s as a result of the drastic influx of the Japanese from Japan proper and Manchuria, especially after the outbreak of the Sino-Japanese Conflict (1937-45). This study attempts to delineate the wartime life of Japanese residents in Beijing by paying attention to the monthly journal titled *Hokushi (The North China)* edited by the North China Transportation (Kahoku Kotsu) founded in 1938 as the group company of the Japanese state policy enterprise South Manchuria Railway (Minami Manshu Tetsudo). The accounts of the monthly journal tell us what problems/difficulties Japanese residents encountered and how they tried to cope with them in the wartime foreign land.

Keywords—Sino-Japanese Conflict, Sino-Japanese Relations, Beijing, Japan, China

LINGUISTIC TYPOLOGY AND ICT-S AS TOOLS IN MULTILINGUAL LANGUAGE TEACHING ENVIRONMENTS, MIGRANTS'S INTEGRATION, AND PRESERVATION OF MINORITY LANGUAGES

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ABSTRACT

Linguistics and Linguistic Typology established a language structure as a cognitive construct of the mind providing patterns to build a methodology which may enable multilingual language teaching in infant, primary, and secondary education environments through the use of unified typological subjects, such as word order pattern, inflection, comparative morphology, or syntax, among others; permitting young learners to acquire second language(s) while learning their own in a direct manner in multilingual contexts through a unique methodology which serves all multiple target languages. Such methodology breaks down language into a basic language skeleton young learners are to approach without conditionings of previous knowledge, cultural, social, and economic background, or age. It becomes sustainable at all levels, for all second languages are addressed through their features related to the native tongue of the learner, all analyzed through all common linguistic structures, leading to a more efficient comprehension and quick, effortless, natural assimilation and acquisition through visual and memory methods, along a plethora of exercises that only act as tools for such process, either usable traditionally, or with ICTs, in a fluid manner to help natives and migrants banish linguistic barriers when integrating within foreign communities and their educational institutions. On the other hand, such methodology becomes valid for helping preserve and ensure the growth of minority languages through the increase of speakers, and subsequent creation of cultural production. Although this methodology approaches the teaching of Basque (minority language being one of the oldest in the world) and other European or Asian languages, it is also expandable to whatever language depending upon geographical constraints where applicable.

Keywords: typology, multilingual, teaching, minorities, education, e-learning, ICT.

SUSTAINABLE DEVELOPMENT VALUES AND MONTREAL PROTOCOL TOWARDS ENVIRONMENTAL SUSTAINABILITY IN MALAYSIA

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ABSTRACT

Environmental sustainability is very essential to protect the environmental surroundings as well as for the better living environment for consumers. One of the international law that adopted the principle of protecting the environment is Montreal Protocol. Montreal Protocol is one of the successful international environmental laws. Montreal Protocol managed to seek international environmental cooperation among almost all of the states in the world. There are several values that supported the sustainable development has been asserted, compromised and manipulated throughout the implementation of Montreal Protocol at the national level in Malaysia. This values that have been asserted in the implementation process helped in successful of Montreal Protocol's implementation in Malaysia. Thus this paper will discuss the sustainable development values that had been asserted in the implementation of Montreal Protocol in Malaysia. Those values are freedom, shared responsibility, respect for nature, equality and solidarity.

ECINIMIC VALUE-ADDED (EVA): THE VALIDITY OF THE EVA MODEL IN EUROPE

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ABSTRACT

The purpose of this paper is to explore the relative explanatory power of the *Economic Value Added(EVA)* model with respect to firms' market value and stock returns, in comparison with traditional performance measurement benchmarks such as operating income and net income. This effort was also motivated by the absence of a similar study, concerning European Markets, for the last ten years.

First, is examined whether EVA explains the variability of stock returns better than net income, operating income and residual income. Second, is tested if EVA provides information content, useful in explaining the variability of stock returns, which is not incorporated in net income, operating income and residual income. Third, is examined whether the correlation between EVA and Market Value Added (MVA) is higher than the correlation between net income, operating income, residual income and MVA.

Our findings based on our European dataset, do not support that EVA is more correlated with stock market returns but EVA unique components, appear to have significant incremental information content in specific European markets.

Keywords: 1) Economic Value Added (EVA) 2) Market Value Added (MVA) 3) Operating Income (OP).

MORAL INTENSITY AND REDUCED AUDIT QUALITY ACTS: GOVERNMENT'S AUDITORS PERSPECTIVE

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1. Background/ Objectives and Goals

Personal characteristics and attitude of an auditor during the course of audit are, among other things, the determinant of audit quality. This study seeks to examine attributes of reduced audit quality acts. Since the decision to engage in reduced audit quality acts is a matter of moral judgment and ethical consideration, this study analyzes the effect of moral intensity toward auditors' decision to engage in such unethical acts. Unlike other previous studies which focus on financial statement audits in public companies, this study explores such an issue in public sector audit.

2. Methods

This is a survey research. The data for this study were gathered from questionnaires. This study was conducted in West Sumatera Province. The respondents for this study are government auditors currently attending a special program of education at the Accounting program of the Andalas University. Since the standard quality of data for regression analysis cannot be met, Friedman test of non-parametric statistic was used to test our hypotheses. This study used the model of moral intensity developed by Jones (1991); social consensus, probability of effect and magnitude of consequences.

3. Expected Results/ Conclusion/ Contribution

Findings of this study suggest that there is a relatively high consensus among auditors that engaging in reduced audit quality acts is wrong. Auditors perceived that committing such acts may result in an inappropriate audit opinion. Auditors perceived that the probability of detection by their supervisors is relatively low and the maximum consequences from being caught committing certain wrongful acts tend to be less severe. Chi-square test for all three dimensions of moral intensity indicates that auditors have significantly different in response toward each item of reduced audit quality acts.

Keywords: Moral Intensity, Ethics, Auditor, Public Sector

THE EFFECTS OF THE 2001 ECONOMIC CRISIS OF TURKEY ON HOLDING COMPANIES' DIVERSIFICATION STRATEGIES: DOES BANK OWNERSHIP MAKE DIFFERENCE?

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ABSTRACT

The objectives of the study is to search whether there are any changes in holding companies' diversification strategies before 2001 and after 2001 in Turkey. In this context, which diversification strategies (related or unrelated) are adopted by the holding companies is tried to be determined.

The holding companies included in study divided into two groups one of them is before the economic crisis of 2001 having bank and continue in the same way after 2001 and the rest. On this basis, whether having bank is advantageous in diversification strategies or not is tested. Quantitative research is used for reaching on planned data. The data related with holding companies are obtained by Istanbul Stock Exchange. Holding companies and sectors they performed and the sectors' relationships are tried to be put forward. The study concludes that 2002 economic crisis enhance the diversification especially for bank owner holding companies due to the fact that the crisis provides opportunities which can be easily used by the holding companies that have strong banks.

Keywords: Istanbul Stock Exchange, Diversification, Economic Crisis, Holding Companies

SMES AND TRANSFER PRICING IN POST-BEPS CONTEXT

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ABSTRACT

In European Union, small and medium sized enterprises account for over 99% of all companies and have very important position in the EU economy, mainly in the area of growth and employment. However, they face great deal of obstacles, mainly in the form of excessive compliance costs of taxation, which have a regressive character with regard to firm size and are significantly higher in case of enterprises with foreign branch or subsidiary in comparison with enterprises which are not internationalized. With respect to the internationalization, other significant arising obstacles represent transfer pricing rules and 28 different tax systems in Europe. Therefore taxation rules should be carefully designed addressing the disproportionately high tax compliance burdens faced by those enterprises. However, based on the Base Erosion and Profit Shifting project, a lot of new obligations are addressed to all enterprises entering into cross-border transactions, not just to the large enterprises but also to the small and medium sized enterprises. The aim of paper is to evaluate new obligations resulting from the Action Plan 8-10 “Aligning Transfer Pricing Outcomes with Value Creation” and Action Plan 13 “Guidance on Transfer Pricing Documentation and Country-by-Country Reporting” with emphasis on transfer pricing analysis and the specificity of small and medium sized enterprises in comparison with large enterprises.

Keywords - BEPS, Small and medium sized enterprises, transfer pricing rules

INTRODUCTION

According the Recommendation 2003/361/EC, enterprises are categorized on micro¹, small² and medium-sized³ enterprises (hereinafter SMEs) and large enterprises (hereinafter LEs), based on the number of employees and their turnover or balance sheet total [1]. Altogether SMEs account for over 99% of all companies in EU, which contribute both a considerable proportion of value-added (i.e. almost 58%) and to total employment (i.e. almost 90 mil. jobs) [2]. In comparison with SMEs, large enterprises, which account for almost 44 th. companies in EU, generate 33% of value-added and provide more than 44 mil. jobs. It is obvious, that LEs use effectively all resources, mainly due to the economies of scale (for more details see table 1).

¹ Microenterprises are defined as a firm with less than 10 employees and a balance sheet or turnover below EUR 2 million.

² Small enterprises are defined as enterprises having less than 50 employees and turnover or balance sheet total of less than EUR 10 million.

³ Medium-sized enterprises are defined as enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million.

Table 1
Summary of SMEs and large enterprises in the EU28 in 2014

	Micro	Small	Medium sized	SMEs	Large	Total
Enterprises (Number)	20,710,324	1,373,365	224,811	22,308,500	43,766	22,352,260
%	92.7%	6.1%	1.0%	99.8%	0.2%	100%
Persons Employed	39,274,088	27,452,716	23,257,412	89,984,216	44,438,724	134,422,944
%	29.2%	20.4%	17.3%	66.9%	33.1%	100%
Value Added (EUR billion)	1,358	1,169	1,188	3,715	2,710	6,425
%	21.1%	18.2%	18.5%	57.8%	42.2%	100%

Source: [2].

Moreover, financial and human resources are less available for SMEs in comparison with LEs. Therefore, they usually cannot use benefits resulting from tax planning strategies and the application of tax planning's instruments. One of the tax planning instruments represents transfer pricing which helps to reduce tax risks and overall tax liability. In this respect, the OECD estimates annual losses from 4-10% of global corporate income tax revenues, i.e. USD 100 to 240 billion annually. To avoid this practice and to ensure the correct application of the separate entity approach, the OECD and G20 countries launched a project on Base Erosion and Profit Shifting (hereinafter as BEPS) in February 2013. It includes 15 Action plans referring to tax planning strategies, shifting profits to low or no-tax jurisdictions resulting in little or no overall corporate tax being paid. The final reports of the project were published on 5 October 2015.

To avoid divergent implementation of BEPS by each EU Member States and disruption of the functioning of the internal market, the European Commission published the draft of the Directive "*laying down rules against tax avoidance practices that directly affect the functioning of the internal market*", known as the Anti Avoidance Directive, on 28 January 2016. The draft of the Directive should create a minimum protection for all Member States' corporate tax systems by the implementation of the OECD BEPS measures and other anti-avoidance measures into their national systems in a coherent and coordinated fashion.

It is obvious that both published documents and their implementation will have significant effects on the enterprises. However, currently SMEs face a lot of disadvantages due to their size which can have distortive impacts on commercial decisions, business structures and business activities. The disproportionately high impact of regulatory requirements also creates the disproportionately high compliance costs of taxation, which have a regressive character with regard to firm size. Therefore taxation and other obligations should be carefully designed so that they can address the disproportionately high tax compliance burdens faced by SMEs.

The aim of paper is to evaluate new obligations resulting from the BEPS Action Plans 8-10 and 13 with emphasis on transfer pricing analysis and taking into account the specificity of SMEs in comparison with LEs.

LITERATURE AND THEORY

The concept of using transfer pricing and its arm's length principle (hereinafter standard) for taxation purposes originates in 1932 when the first tax treaty⁴ was signed. It included an allocation norm for business income between associated enterprises in the form of the arm's length principle [3]. Further, the arm's length principle was recommended as a suitable allocation norm in Carroll Report [4]. Until the first OECD Model Convention in 1963, the classification of article dealing with the arm's length principle was several times changed. Into the first OECD Model Convention was included as Art. 9(1) based on the London Model from 1946. However, the current form of the standard was added to the OECD Model Convention in 1977 during its first revision [3].

Under this standard, associated entities must set transfer pricing for any inter-company transaction as if they were unrelated entities and all other aspects of the relationship were unchanged. Applying and testing the arm's length principle requires a deep understanding of the circumstances – i.e. the commercial and financial relationships, in which associated enterprises make transactions and agree on their transaction prices, and should reflect the economic reality of how enterprises works. However, there is some evidence, that the standard does not reflect both economic reality and a consideration whether the third party would enter into the transaction. Rather, it revealed the profit shifting between enterprises [5], [6], [7], [8], [9], [10]. It fully corresponds with the fact, that the transfer pricing represents an instrument which is used as tax planning tool, i.e. properly chosen transfer pricing strategies can enable the distribution of the tax risks and profits resulting in the reduction of the overall tax liability [11], [12], [13], [14], [15]. To avoid this practice and to ensure the correct application of the separate entity approach and the standard, the BEPS project was launched and consequently the draft of Anti Avoidance Directive was published by the EC.

As regards the transfer pricing issue, only two deliverables of BEPS project are focusing on it, particularly the Action plan 8-10 “Aligning Transfer Pricing Outcomes with Value Creation” and the Action plan 13 “Guidance on Transfer Pricing Documentation and Country-by-Country Reporting”. Based on the Action Plan 13, all enterprises are required to report information relating to their economic activity such as revenues, profits, taxes paid and certain measures of economic activity, and to articulate their consistent transfer pricing positions through this standardized approach of reporting. New reporting obligation is required to the current transfer pricing documentation. Based on the Action plan 8-10, in the area of transfer pricing analysis and determination of transfer prices, a correct application of the standard demands an understanding of the value drivers and relevant risks involved and how responsibility for those risks is attributed among the associated enterprises in the context of their commitment to creating value jointly. For the level and assumption of risk are economically relevant characteristics that can be significant in determining the outcome of a transfer pricing analysis. The understanding of the risks is therefore crucial. Currently, the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations (hereinafter as TP Guidelines) state five economically relevant comparability factors – i.e. characteristics of property transferred or services provided, functional analysis, contractual terms of the transaction, economics circumstances of the parties and of the market in which the parties operate, and business strategies, which were further supplemented by a nine-step process of comparability analysis resulting in the accepted good practice of applying the recommendations of the revised Guidelines in 2010 [16], [17].

On one hand, functions, assets and risks are not systematically aligned in a clear and easily defined pattern of entities and locations, thus the concept of the current comparability analysis can lead to incorrect inferences about non-compliant behavior [18]. Therefore, the recommendation of BEPS based on the value creation highlights that the understanding risks and mapping the responsibilities of the individual associated enterprises for the different risk categories through accurately delineating functional analysis, can help to fully assess the respective contributions by these enterprises to the joint value creation and derive the relative bargaining position of each of them. The bargaining power is essential for drawing conclusion as to whether third parties would enter, or would have entered, into the transactions at the prevailing terms and conditions, and for the conclusion whether the transactions are “at arm's length”. On other hand, there

⁴ The arm's length principle was implemented in the U.S-France treaty 1932 for the first time.

is some evidence that is critical to the BEPS recommendations and its solution in respect of the elimination of profit shifting and correct application of the standard [19], [8]. They highlight that problems with transfer pricing are mainly rooted in the long-standing TP Guidelines and the statement of the standard in the OECD Model Convention. The possible solution is in the modification of these documents than in the more complex of transfer pricing documentation and transparency resulting in higher compliance costs of taxation.

As regard the compliance costs of taxation, there is some evidence about progressivity of compliance costs of taxation to the size of enterprise [20], particularly SMEs bear hundred times higher compliance costs of taxation than LEs [21]. Further, those costs tend to grow for business active across borders, i.e. are significantly higher in case of enterprises with foreign branch or subsidiary in comparison with enterprises which are not internationalized [22], [23]. Significant drivers for compliance costs of taxation can be considered often changes of tax system or taxes and complexity of tax system or tax regulation [24], [25], [26], [27]. Lower compliance costs of taxation are usually in countries, where the tax or tax system is simple [28].

METHODS

To reach the aim of the paper, firstly the analysis of the BEPS report on the Action Plan 8-10 “Aligning Transfer Pricing Outcomes with Value Creation” was performed with emphasis on transfer pricing analysis. Then, the analysis of the BEPS report on the Action Plan 13 “Guidance on Transfer Pricing Documentation and Country-by-Country Reporting” has to be performed. Consequently, the main related revisions of the TP Guidelines can be identified and described. Finally the summary of the main obligations and new approaches to the transfer pricing analysis and transfer pricing documentation will be done with emphasis on the consideration of specificity of SMEs in comparison with LEs i.e., mainly in the respect of compliance costs of taxation.

To determine the compliance costs of taxation of SMEs the indicator “paying taxes” was used. As data source was used platform of the World Bank and annually published “Doing Business” report for 2016, which measures the business environment in 189 countries by using a standardised, mid-sized firm since 2003. Paying Taxes indicator measures tax payments, time and total tax rate. Tax payments represent total number of taxes and contributions paid including consumption taxes and employee-borne labor taxes, method and frequency of filling and payment. Time symbolizes the compliance with three major taxes i.e. VAT (and other consumption taxes), Corporate Income Tax and Labour taxes with social contributions, which are considered as the most time-consuming taxes for businesses across the world. Total tax rate covers profit or corporate income tax, social contribution and labor taxes paid by the employer, property and property transfer taxes, dividend, capital gains and financial transactions taxes, waste collection, vehicle, road and other small taxes or fees; and is determined as a share of profit before all taxes for calendar year 2014.

The paper uses standard methods of scientific work. Firstly, the method of analysis, synthesis and description were used in respect of transfer pricing analysis and new obligations resulting from the BEPS Action Plans. Then, the comparative analysis of Paying taxes indicator was used to discuss the differences between compliance costs of SMEs in EU Member States. At the end the method of deduction was used for the conclusion.

RESULTS

Before the BEPS project, the transfer pricing audit mainly covered the confirmation of taxpayer’s transfer pricing documentation with its overall functional-risks profile. Transfer pricing documentation contained mainly a description of its functional-risks profile i.e. its functions performed, assets used and risks borne, and a benchmark supporting a level of profit generated by taxpayer. However, nowadays tax administrations have focused more and more on how taxpayers have contributed potentially both to the development of intangible property and to the value creation. This approach is recommended by the Action Plan 8-10.

The Action Plan 8-10 focuses mainly on the risk management and value chain analysis. From the transfer pricing point of view, a risk is defined as the effect of uncertainty on the objectives of the business. Risks can be categorized in various ways, but a relevant framework in a transfer pricing analysis is to consider the sources of uncertainty which give rise to risk. TP Guidelines newly provide a framework that may assist in ensuring that a transfer pricing analysis considers the range of risks likely to arise from the commercial or financial relations of the associated enterprises, and from the context in which those relations take place, particularly following non-exclusive list of risks are mentioned there: strategic risks or marketplace risks, infrastructure or operational risks, financial risks, transactional risks and hazard risks. Reference is also made to risks that are externally driven and those that are internally driven in order to help clarify sources of uncertainty.

An analysis of risks in business and its interpretation should be comprehensive together with analysis of functions and assets through a detailed functional analysis, i.e. identifying risks goes hand in hand with identifying functions and assets and is integral to the process of identifying the commercial or financial relations between the associated enterprises and of accurately delineating the transactions. The current practice, however, showed that risks in a transaction can be harder to identify than functions and assets, therefore it requires careful analysis. Newly, the TP Guidelines based on the Deliverables of the Action plan 8-10 introduce six-step process to analyzing risks, where the control over risks⁵ and the financial capacity⁶ to assume the risk is most significant part of the analysis.

Further, taxpayers should use more often “a risk management” which refers to the function of assessing and responding to risk associated with commercial activity. Moreover, taxpayers should take into account that the party assuming a risk will also bear the financial and other consequences if the risk materializes. The identification of the party or parties assuming risks is usually set out in written contracts between the parties to a transaction involving these risks. A contractual assumption of risk constitutes an *ex ante* agreement to bear some or all of the potential costs associated with the *ex post* materialization of downside outcomes of risk in return for some or all of the potential benefit associated with the *ex post* materialization of positive outcomes. It must be highlighted that *ex ante* contractual assumption of risk should provide clear evidence of a commitment to assume risk prior to the materialization of risk outcomes. Such evidence is a very important part of the tax administration’s transfer pricing analysis of risks in commercial or financial relations.

It is obvious that a static analysis of functional-risks profile of taxpayers was superseded by the analysis of the context of commercial and financial relations. Further, the group value chain should be emphasized through this analysis in a tax context. The value chain analysis involves an understanding both the industry structure in which the group operates, the value chain and value drivers at the group level, but also an understanding the group’s risk profile in relation to functional-risks-responsibility profile. An understanding of value drivers should help with the allocation of profits to parties across the group in a tax context. Therefore the understanding of value drivers and how value is created across the group is essential. For this purpose the roles of the entities in the joint value creation are defined together with responsibilities in respect of their control of the different value drivers and related risks. How the relevant parties can be rewarded depends on the analysis of how prices are set – *ex ante* and *ex post*. Moreover, functions such as Development, Enhancement, Maintenance, Protection and Exploitation (hereinafter DEMPE) drive the remuneration of parties. Further, the responsibilities of entities in respect of different risks affect the final remunerations for those entities, i.e. *ex post* outcomes can only be understood and explained in view of those responsibilities. Generally the value chain analysis is the right approach for testing whether the location of key value drivers is connected with the generation of profit resulting in aligning transfer pricing outcomes with value creation.

To summarize, the accurately delineated transaction should be priced in accordance with the TP Guidelines and taking into account the financial and other consequences of risk-assumption, the remuneration

⁵ Control over risk involves the capability to make decisions to take on, lay off, or decline a risk-bearing opportunity, and the capability to make decisions on whether and how to respond to the risks associated with the opportunity.

⁶ Financial capacity in this area means an access to funding to take on the risk or to lay off the risk, to pay for the risk mitigation functions and to bear the consequences of the risk if the risk materializes.

for risk management and DEMPE functions performed by parties. Further, a taxpayer that both assumes and mitigates a risk should be entitled to greater anticipated remuneration than a taxpayer that only assumes a risk, or only mitigates, but does not do both. In respect of the recognition of the accurately delineated transaction, the key question in the analysis is whether the actual transaction possesses the commercial rationality of arrangements that would be agreed between unrelated parties under comparable economic circumstances, not whether the same transaction can be observed between independent parties.

Based on the Action Plan 13, a three-tiered standardized approach to transfer pricing documentation has been developed, firstly a “Master file” providing high-level information about global business operations and transfer pricing policies, secondly “Local file” providing detailed identification and description of the related party transactions and a company’s analysis of the transfer pricing determinations, and finally a “Country-by-Country Report” (hereinafter CbCR) providing annually for each tax jurisdiction information about revenues, profits before income tax, income tax paid and accrued together with number of employees, stated capital, retained earnings and tangible assets. The Master and Local files have to be delivered directly to the local tax administration and together with CbCR have brought useful information to assess transfer pricing risks and identify potential transfer pricing audits. Further, deliverables of the Action plan 13 assume the implementation of the three-tiered approaches for fiscal years beginning on or after 1 January 2016.

As regards the information required in all three reports in comparison with the current transfer pricing documentation in the EU, it must be highlighted that in case of the Master file most of information required are not contemplated in the EU. Thus, enterprises will have to cope with the significantly higher compliance costs of taxation in the future. Contrary with the Local file, which is almost consistent with information required in transfer pricing documentation requirements in the EU, except of the financial reconciliation as a new documentation requirement. Therefore, the compliance costs of taxation could remain in the similar values in the future without huge differences. However, in case of CbCR is situation diametrically different. The CbCR represent a new transfer pricing documentation requirement, which will submit to tax administration by the ultimate parent entity and distribute through an automatic information exchange. It is expected, that the CbCR will be filled only by LEs and not by SMEs, for a threshold of EUR 750 million of consolidated group revenue or controlling approximately 90 percent of corporate revenue was set as an indicator for reporting. It represents an appropriate balancing of reporting burden and benefit to tax administration.

As regards the compliance costs of taxation of SMEs in the EU, results of analysis are presented in table 2. In more than half of the EU Member States, SMEs bear higher compliance costs of measured taxes than is born by the OECD high income countries (i.e. 41.2% of profit), particularly in Malta, Romania, Lithuania, Hungary, Germany, Sweden, Estonia, Greece, Spain, Czech Republic, Slovak Republic, Austria, Belgium, France and Italy. In respect of time needed for preparing, filling and paying of three major taxes, SMEs spend 53 working days per year in Bulgaria, 51 days in the Czech Republic contrary with 7 days in Luxembourg. In case of number of payments, it ranges between 4 (Norway) and 27 (Cyprus). Overall, the best position across the EU Member State can be considered Ireland and Luxembourg, then Norway, United Kingdom, Denmark and Finland. In contrast, Italy and the Czech Republic can be considered for the worst one, particularly Italy due to the highest compliance costs of all measured taxes in the amount of 64.8% of profit and the Czech Republic due to the second highest value of time needed for preparing, filing and paying of three major taxes. Results of individual categories of Paying taxes indicator correspond with the overall received ranking. The Czech Republic as 122 and Italy as 137 from 189 analyzed countries.

Table 2
Summary of „Paying taxes“ indicator for European Member States in 2014/2015

Country	Rank (1-189)	Payments (number per year) ¹	Time (hours per year) ¹	Total tax rate (% of profit) ¹	Country	Rank (1-189)	Payments (number per year) ¹	Time (hours per year) ¹	Total tax rate (% of profit) ¹
Ireland	6	9.0 (5)	82.0 (3)	25.9 (5)	Romania	55	14.0 (9)	159.0 (14)	42.0 (16)
Denmark	12	10.0 (6)	130.0 (9)	24.5 (4)	Poland	58	7.0 (3)	271.0 (25)	40.3 (12)
Norway	14	4.0 (1)	83.0 (4)	39.5 (11)	Spain	60	9.0 (5)	158.0 (13)	50.0 (23)
United Kingdom	15	8.0 (4)	110.0 (6)	32.0 (8)	Portugal	65	8.0 (4)	275.0 (26)	41.0 (14)
Finland	17	8.0 (4)	93.0 (5)	37.9 (10)	Greece	66	8.0 (4)	193.0 (20)	49.6 (22)
Luxembourg	21	23.0 (11)	55.0 (1)	20.1 (2)	Germany	72	9.0 (5)	218.0 (22)	48.8 (19)
Malta	25	7.0 (3)	139.0 (11)	41.3 (15)	Slovak Republic	73	10.0 (6)	188.0 (18)	51.2 (25)
Netherlands	26	9.0 (5)	123.0 (8)	41.0 (13)	Austria	74	12.0 (8)	166.0 (16)	51.7 (26)
Latvia	27	7.0 (3)	193.0 (19)	35.9 (9)	France	87	8.0 (4)	137.0 (10)	62.7 (28)
Estonia	30	8.0 (4)	81.0 (2)	49.4 (21)	Bulgaria	88	14.0 (9)	423.0 (29)	27.0 (6)
Slovenia	35	10.0 (6)	245.0 (23)	31.0 (7)	Belgium	90	11.0 (7)	161.0 (15)	58.4 (27)
Sweden	37	6.0 (2)	122.0 (7)	49.1 (20)	Hungary	95	11.0 (7)	277.0 (27)	48.4 (18)
Croatia	38	19.0 (10)	206.0 (21)	20.0 (1)	Czech Republic	122	8.0 (4)	405.0 (28)	50.4 (24)
Cyprus	44	27.0 (12)	145.5 (12)	24.4 (3)	Italy	137	14.0 (9)	269.0 (24)	64.8 (29)
Lithuania	49	11.0 (7)	171.0 (17)	42.6 (17)					
Europe & Central Asia	..	19.2	232.7	34.8	OECD high income	..	11.1	176.6	41.2

1) In bracket is mentioned rank achieved in individual category.

2) Other taxes cover property and property transfer taxes, dividend, capital gains and financial transactions taxes, waste collection, vehicle, road and other small taxes or fees.

Source: ([29], own processing).

If the results of the analysis of compliance costs of taxation together with requirements of BEPS project would be taken into account, then it would not be desirable for SMEs to create new tax regulations resulting in higher compliance costs of taxation, mainly in case of the Czech Republic, Bulgaria, Hungary and Italy. These countries have the highest time indicator for preparing, filing and paying of three major taxes. There can be distinguished two approaches, first one covers a possibility that in these countries, new regulations resulting from the BEPS project should be carefully designed taking into account disproportionately high tax compliance burdens faced by SMEs. The second one covers a suggestion that SMEs will be excluded from the new regulations. However, in this respect must be highlighted, that each EU Member State should reconsider the definition of SMEs based on the own situation in the country.

CONCLUSIONS AND FUTURE WORK

The aim of paper was to evaluate new obligations resulting from the BEPS Action Plans 8-10 and 13 with emphasis on transfer pricing analysis and take into account the specificity of SMEs in comparison with LEs.

Based on the results we can conclude that the requirements or regulations from the BEPS project can have significant impact on SMEs. The new approach in the functional-risks analysis in the form of value chain analysis, an emphasis on both the detailed analysis of risks assumed in the group and value creation, or wholly new transfer pricing documentation requirements can increase significantly the compliance costs of taxation of SMEs.

Further, we can conclude, that it is not desirable to create new tax regulations resulting in higher compliance costs of taxation, mainly in case of the Czech Republic, Bulgaria, Hungary and Italy, for these countries have the highest time indicator for preparing, filing and paying of three major taxes. In this situation we recommend carefully designing new regulations resulting from the BEPS project in case of SMEs or wholly exclude SMEs from the new regulations. However, in this respect must be highlighted, that each EU Member State should reconsider the definition of SMEs for transfer pricing purposes based on the own situation in the country.

Future work will be focused on the simplified measurements for SMEs in case of transfer pricing methods as a one possibility how to reduce compliance costs of taxation.

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TOURISM MARKETING INFLUENCE OF CONSUMER BEHAVIOR ON VISIT INTENTION IN BANDUNG INDONESIA

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ABSTRACT

Abstract—Tourism, it is a "language" that is universally recognized by people around the world. Differences in economic background, social, culture, beliefs and so forth does not preclude a society to get know and need tourism. Enjoy the landscape, the uniqueness of cultures, and so typical of the variety of foods, are the part of the tourism that tourist can enjoy. Over the time, tourism is not only seen as a means to satisfy the human desire for entertainment but also a source of economically for the state where the resort is located. It is important to understand how the behavior of consumers (tourists) in order to optimize excursions rating. This research has focused on analyzing the influence of consumer behavior represented by cultural, social, personal and psychological factors on the interest excursions. In this study, Bandung Indonesia which is a tourist destination city serve as the object of research. Sample was 200 tourists were then asked respondents' opinions through questionnaires and then the response of the respondents will be processed using SPSS to determine the feasibility of data (validity, reliability, normality, multicollinearity and heteroscedasticity) and then processed to determine the effect of independent variables and the dependent variable.

Keywords— Consumer Behavior, Tourism, Visit Intention

INTRODUCTION

Bandung is known as an area that is quite creative in developing a location that could serve as a potential tourism. Tourism is developed in Bandung area includes shopping, nature tours, culinary tours, and tours of travel history. The development of the tourism industry caused many tourists who visit the region Bandung (www.wisatania.com).

Bandung people can take advantage of the appeal of the city as a tourist spot, they can take participation in the economic activities of their city. As a community -based tourism Bandung ; they can apply noble values " Sapta Pesona " that is safe , orderly , clean , cool , beautiful , friendly , memorable . By applying these values will certainly accelerate the realization of the city's selection. Tourism products are products from all over the city collectively, the actual experience of travel and services. Creativity and innovation citizens, employers and the government will also contribute to promoting growth and strengthening of the ' benchmark ' as a tourist town. The presence of tourists and tourism activities in the city, it is necessary to develop the economic dynamics of the city through increased currency in circulation (<https://portal.bandung.go.id>).

The development of tourism in the city is an important and sustainable development. Therefore is important to understand how the behavior of consumers (tourists) in order to optimize excursions rating. Studies of consumer behavior centered on how individuals make the decision to utilize the resources (time , money, effort) to buy items related to consumption . Consumer behavior is a study that is relatively new

in the Middle Ages until the late 1960s , because science has no history and body of its own research , marketing experts have borrowed various concepts developed in various disciplines other knowledge , such as psychology (individual studies) , sociology (study group) , social psychology (the study of how people operate on the group) , anthropology (the influence of society on the individual) and economics in shaping the basic disciplines of this new marketing (Esthi, 2008) .

Thus, it can be said that consumer behavior is the study of how the decision-makers (decision units), whether individual, group, or organization, making decisions to buy or make transactions. This research has focused on analyzing the influence of consumer behavior represented by cultural, social, personal and psychological factors on the interest excursions.

1. Literature & Theory Related Works or Discussion

The starting point for understanding the behavior of buyers is a model response to stimuli (stimulus - respond mode) Stimulation of marketing and environmental awareness go into buyers. Characteristics of buyers and decision making process will lead to a certain purchasing decisions. Marketer's job is to understand what happens to consciousness of buyers since the influx of stimuli from the outside until the occurred of the purchase decision (Kotler, 2000). Consumer buying behavior is influenced by:

1.1 Cultural factors

Culture, sub-culture, and social class is very important for the purchasing behavior. Culture is what determines the desires and behaviors of the most basic. Each culture consists of a number of sub-culture that exhibits more special identification and socialization for its members. Sub-cultures include nationalities, religions, racial, and geographic region.

1.2 Social factors

Consumer behavior is also influenced by social factors: the reference group. One's reference group consisted of all groups that have a direct effect (face to face) or indirectly against the person's attitude or behavior. Groups that have a direct influence on a person named group membership. Some membership groups are the primary groups, such as family, other friends, neighbors, and coworkers, which interacts with a person continuously and informal. People have also become members of the secondary group, such as religious groups, professional and trade associations, which tend to be more formal and requires interactions that are not so routine. People are very influenced by their reference group of at - least three ways. Reference group makes a person live a new lifestyle and behavior, and influence the behavior and the concept of a private individual, group of people that follow the reference demanding group habits that will affect a person's actual products and brands. People are also influenced by a variety of groups outside their group. Aspiration group is a group that wants to enter a person; dissociation group is a group whose values or behavior is rejected by someone.

1.3 Personal factors

The buyer's decision was also influenced by personal characteristics. These characteristics include:

- 1.3.1 Age and stage of life cycle: People buy different goods and services - different throughout his life. The needs and tastes of the goods or services associated with age. Consumption is also shaped by the family life cycle. The marketers often choose a number of groups based on the life cycle as their target market. The marketers pay great attention to the changes in life situation (divorced, widower / widow, remarried) and the impact of that situation on consumption behavior. Employment and economic environment: One's job also affect consumption patterns. The marketers trying to identify a group of jobs that have interests above - average on their products and services. Companies can even specialize their products in certain occupational groups. The product selection is strongly influenced by a person's economic circumstances: disposable income (level, stability, pattern over time), savings and assets (including the percentage of assets lancer and liquid), the debt, the ability to borrow, and attitudes toward spending or saving. The marketers of goods that is sensitive to the price of constant attention to the tendency of personal income, savings, and interest rates.
- 1.3.2 Lifestyle: Lifestyle is a pattern of life in the world that was revealed on activities, interests, and his opinions. Lifestyle describe the whole person that interacts with its environment. Marketers looking for connections between their products with the lifestyle group.
- 1.3.3 Personality and self-concept: Each person has a distinct personality characteristics that influence their purchasing behavior. The definition of personality is an innate characteristic of human psychology differentiated responses that produce relatively consistent and enduring to the stimulus environment. Personality can be a variable that is very useful in analyzing consumer brand choice. The idea is that the brand also has a personality, and that consumers may choose a brand that fits her personality with her personality.

1.4 Psychological factors

Someone purchasing options is influenced by major psychological factors: Motivation A person has many needs at any given time. Some of the needs are biogenic; The emerging needs of biological pressures such as hunger, thirst, uncomfortable. Another requirement is psychogenic; it needs arise from psychological stress such as the need for recognition, appreciation, or a sense of group membership. The need will be a motive if he had been pushed to a level of intensity that is adequate. Motif is a need for sufficient to induce someone to act. Perception A motivated person is ready to act. How does the actual act of someone who is motivated to be influenced by perceptions of the particular situation. Perception is the process used by an individual to select, organize, and interpret input information to create a picture of the world that has meaning. Perceptions can vary between individuals to one another are experiencing the same reality. learning Lessons include a person's behavior changes arising from the experience. Most human behavior is the result of learning. Learning theorists believe that learning is generated through a

blend of work between the driving, stimuli, cues act, feedback, and reinforcement. Beliefs and attitudes Through acting and learning, people gain confidence and attitude. Both later affect their buying behavior.

METHODS

The main method for this study was multiple regression analysis for testing following framework (Figure 1). As a matter of fact, four developed hypotheses were tested, and they were as follow:

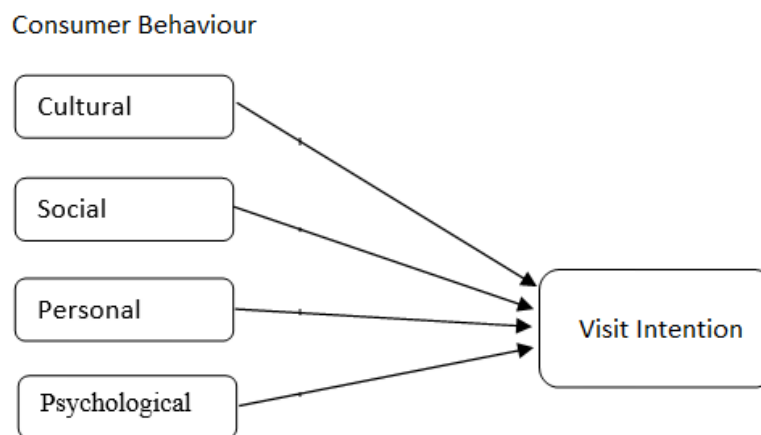
H1: Visit intention is affected by Cultural significantly and positively.

H2: Visit intention is affected by Social significantly and positively.

H3: Visit intention is affected by Personal significantly and positively.

H4: Visit intention is affected by Psychological significantly and positively.

Figure 1



The population for this study was all Tourist which come to Bandung, Indonesia. If the population is not known , recommend a minimum sample size is 10 (Multivariate) times the number of items questions contained in the questionnaire (Ferdinand, 2006). Total questions in this study is 20 questions , allowing a minimum sample size of this study is $20 \times 10 = 200$. So the number of samples taken in this study was 200. 200 questionnaires were distributed and 100% questionnaires were returned.

RESULTS

After gathering data results was as follow:

Table 1: Demographic Results

Variable	Frequency	Percent
1. Gender		
Male	106	53,00%
Female	94	47,00%
Total	200	100%
2. Age		
Less than 20	70	35,00%
21-30	35	17,50%
31-40	44	22,00%
41-50	45	22,50%
More than 50	6	3,00%
Total	200	100%
3. Educational Level		
High School&below	76	38,00%
Diploma	64	32,00%
Bachelor	35	17,50%
Master or higher	25	12,50%
Total	200	100%
4. Marital status		
Yes	87	43,50%
No	113	56,50%
Total	200	100%

Table 2 Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.774 ^a	.600	.591	2.42963

a. Predictors: (Constant), Cultural (X1), Social (X2), Personal (X3), Psychological (X4)

b. Dependent Variable: Visit intention (Y)

Adjusted R Square is 0.591 that shows 59,10% of Visit intention is Affected by four identified independent variable (Consumer Behaviour)

Table 3 ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1724.392	4	431.098	73.029	.000 ^a
	Residual	1151.108	195	5.903		
	Total	2875.500	199			

a. Predictors: (Constant), Cultural (X1), Social (X2), Personal (X3), Psychological (X4)

Table 3 ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1724.392	4	431.098	73.029	.000 ^a
	Residual	1151.108	195	5.903		
	Total	2875.500	199			

b. Dependent Variable: Visit intention (Y)

Anovas's P-value=0,000 (F-Stat) indicated the independent variable can be used for variation of Visit intention.

Table 5 Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.100	.171		.598	.534
	Cultural (X1)	.211	.066	.192	2.915	.000
	Social (X2)	.347	.083	.300	4.556	.003
	Personal(X3)	.181	.058	.178	2.398	.001
	Psychological (X4)	.332	.068	.297	5.158	.000

a. Dependent Variable: Visit intention (Y)

The p-value of Cultural shows that significant impact of Cultural on Visit intention because it is less than 0,05 (0,0000) so we are 95% confident the impact of Cultural on is Visit intention is significant. Furthermore, the value of B in unstandardized coefficient (0,211) indicates that for every unit increase in Cultural, Visit intention will go up 0,211 units.

The p-value of Social shows that significant impact of Social on Visit intention because it is less than 0,05 (0,0003) so we are 95% confident the impact of Social on is Visit intention is significant. Furthermore, the value of B in unstandardized coefficient (0,347) indicates that for every unit increase in Social, Visit intention will go up 0,347 units.

The p-value of Personal shows that significant impact of Personal on Visit intention because it is less than 0,05 (0,0001) so we are 95% confident the impact of Personal on is Visit intention is significant. Furthermore, the value of B in unstandardized coefficient (0,181) indicates that for every unit increase in Personal, Visit intention will go up 0,181 units.

The p-value of Psychological shows that significant impact of Psychological on Visit intention because it is less than 0,05 (0,0000) so we are 95% confident the impact of Psychological on is Visit intention is significant. Furthermore, the value of B in unstandardized coefficient (0,332) indicates that for every unit increase in Psychological, Visit intention will go up 0,332 units.

However, followed by above discussion and acceptance off all four hypotheses the highest impact refers to Social, and the regression equation can be written as follow:

$$\text{Visit intention} = 0,1 + 0,211 \text{ Cultural} + 0,347 \text{ Social} + 0,181 \text{ Personal} + 0,332 \text{ Psychological}$$

CONCLUSION AND FUTURE WORK

In this study, Bandung Indonesia which is a tourist destination city serve as the object of research. This research has focused on analyzing the influence of consumer behavior represented by cultural, social, personal and psychological factors on the interest excursions and the highest impact refers to Social.

Some people, including tourists, also saw a positive image Bandung. Bandung is a city that is cool and has a beautiful view. Imaging (image) this positive should be maintained for as an industry, tourism requires marketing efforts in which the role anyway dimensional imaging (brand image) to market the tourism as a commodity to be sold to tourists. Therefore, further research is important to examine the Brand Image of Bandung to Visit intention.

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THE EFFECTIVENESS OF ACCRUAL COMPONENT ESTIMATE BY MANAGER : EMPIRICAL EVIDENCE FROM INDONESIA

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ABSTRACT

The information in financial statement especially earnings and cash flow are used by interest party to examines the performance of the firm. To reach those number, manager have right to estimate several items which is called the accrual component estimated by managers. The purpose of this paper is to distinguish whether the managerial estimate have predictive power in forecasting future earnings and future cash flow. In order to get good result I classify earnings into net income and earning before interest and tax. Moreover, I classify the cash flow into free cash flow and cash flow from operation. To refine my result, I classify the accrual component estimate by manager into several items which are cash flow from operation, depreciation and amortization, deffered tax, inventory, working capital, estimated and net estimate. For that, I designed forecast 1 year until 5 year ahead using data from Indonesian Stock Exchange from year 1997-2012 to confirm the power of those components. I use 5 simple OLS model and calculate return using CAPM model. The findings show that the accrual components estimated by managers have additional power in forecasting cash flow from operation and free cash flow in one and two years ahead. Meanwhile, it also give additional power in forecasting operating income in one year ahead and net income in two year ahead. Moreover, by considering the accrual components estimated by managers in making investment decisions, it is able to provide the abnormal return in the case of forecasting free cash flow only.

1. INTRODUCTION

Statement by IFRS 2001, "... asserts that economic decision that are taken by users of financial statements requires an evaluation of the ability of an entity to generate cash and cash equivalents", emphasizes that the role of financial statement do not only provide information about current firm activities, but also give information about future firm performances. Empirical evidence shows that two components of financial statements have been popularly used by market participants, namely earnings and cash flows. A study by Govindarajan (1980), did a survey on security analysts to distinguish whether they use the earnings information or cash flow information in analyzing the firm performance. He found that security analysts used earnings information rather than cash flow in their professional reports. Moreover, Baber, Janakiraman et al. (1996) discovered that executive compensation could affect the firm's earnings report. They showed that earnings persistent are higher when the CEO is approaching retirement. There could be two implications, firstly; CEO's performance might be measured against the earnings figure. Secondly, the management may try to manage earnings figure to generate their performance. Besides, Suadi (1998) found that the cash flow figures are related to a dividend in the future. Dividends show the portion that has been paid to investors. The entire studies indicate that earnings and cash flow figures are actually used by readers of the financial statements for decisions making.

Another strand of research examined which figures that has the highest ability to predict the future firm performances. Prior study by Bowen, Burgstahler et al. (1986) asserted that cash flow is a useful

predictor compared to earnings for predicting the future cash flow for one until two years ahead. However, for long forecasting horizon, earnings and cash flows have equivalent predictability. Further, Habib (2008) stated that earnings and cash flows are essential information because it can indicate the future stock return. Those prior studies show that these components turned out to measure the firm's achievement. Moreover, MJ (1991) predicted the financial distress using data from U.S, by comparing earnings and cash flow models. He found that earnings possess more ability in predicting financial distress compared to cash flow. Using Indonesian data, Hidayatullah (2009) noted that all of cash variables have high ability in predicting future cash flow from operation compared to earnings. This evidence implied that the debate on whether earnings or cash flows could predict future performances better is far from over. Therefore, I concern on earnings and caash flow in this paper.

To reach the objective of the financial statement, accounting standard methods keep evolving such as the change in transaction recording from cash basis to accrual basis. Accrual accounting is important based on FASB No 8, 2010 "Reporting entity economic resources claims and changes in its economic resources and claims during a period provides a better basis for assessing the entity past and future performance than information solely about cash receipts and payment during the period". This statement implies that the accrual figure is needed because it will provide better information about future performance of the firms in the next period of time. Evidence by Dechow, Sloan et al. (1995) found that accrual components increase the relationship between earnings and stock returns. However, there are timing and matching problems under the cash flow method. Her study supported the FASB statement, which reinforced the usefulness of accrual basis. Furthermore, Francis, LaFond et al. (2005) showed that the lower quality accrual is associated with the higher cost of debt, larger equity betas and smaller price multiple on earnings. These evidences implied that accrual figures can provide a picture about current and forward looking number of firm performances.

The information's in the financial statements is noteworthy in helping the readers to analyze the firm activities. This situation makes the important role of the managers become more appearances, which needed more investigation to determine the role of managers in the firms. In this study classifies the accrual items into estimated and non-estimated by manager. I follow the classification by Lev, Li et al. (2010). They used U.S. data and found that accrual estimated by manager has improved the ability of earnings in predicting future earnings but it is not improved the ability of earnings in predicting future cash flow.

Improving the predictive ability of earnings does not mean that it is useful in practice for the users of financial statements. To increase confidence of my result and to distinguish whether the managerial estimate have contributions for investors in making investment decisions, I calculate the economic significance. Study by Poon and Granger (2003) examined that the researchers should not rely only on the statistical significant only, but also have to predict the error from economic significance. Besides, Lewellen (2004) asserted that in the finance literature, economically significant considerations have been used to sharpen the result of statistical evidence by conducting the return predictability. With this explanation, I do a significant test by calculating the abnormal return using the CAPM method; by performing a zero investment return. In this step, I compare the return from a portfolio with accounting accrual estimated by manager and portfolio without accounting accrual estimated by manager.

The contributions of this paper are, giving empirical result that these components have provided additional information in predicting firm's performance and it would be beneficial to the investors when they need to make investment decisions because when they concern on the accrual component estimated by managers, they will have abnormal returns.

The rest of the paper is organized as follows. Section 2 is literature reviews of prior studies. Section 3 shows the methodology in measuring the ability of the accrual components estimated by managers in forecasting firm performances. Section 4 focus on the empirical result and the last is section 5 provides the conclusion.

2. Literature reviews

Earnings and cash flow are substantial information in order to attract attention of the user of financial report, e.g. regulators, creditors and accounting professionals. Foster (1977), Patell (1976) found that the stock market reacts when a firm releases earnings information and they also stated that investors use past earnings to forecast the future earnings. Parallel with the prior studies, Company (1991) organized a survey and discovered that earnings component is used in computing the executive compensation contracts. The two papers above implied that the earnings information is actually used in the decision-making process.

On the other hands, the crucial role of cash flow has been distinguished by Gentry and Hoque (1990). They claimed that when the cash flow from operation increases, the financial and credit health of the firm is growing as well. The reason is the firm does not have to borrow cash and make the firm not to have the interest expense; the brief reason is that the firm has enough cash to cover their activity. Besides, when the cash flow from operation decreases, there is a possibility for the firm to have a debt and lead the interest expense to occur. This situation will affect the performance of the firm because excess debt in the long term will make the firm has poor performance. Those prior studies implied that the earnings and cash flow information can be used as references for evaluating the performance of the firm.

The aforementioned study uses data from United State; however, the result is practically the same when the data from Indonesia is used. Supriyadi (1999) examined the ability of earnings versus cash flow in predicting cash flow. He used three kinds of model, namely cash flow model, earnings model and earnings cash flow model. Then he declared that the cash flow data gives better information in forecasting cash flow compared to earnings. Afterwards, Syafriadi (2000) wrote that the use of financial statement can evaluate the performance of the firm in generating cash when they get information about earnings and cash flow component. Although the findings in prior studies are different but they believe that both figures can explain the state of the firm. In this paper, I separate the cash flow information into free cash flow and operating cash flow. Moreover, I separate earnings into net income and operating income.

The purpose of accrual figures is to give managers an opportunity to dedicate their mind in order to provide an overview of the firm. But there is doubt from certain parties that argue managers use this item to enrich themselves. This doubt occurs because the number of accrual item is not accepted or has been removed by the firm yet. Baker and Cunningham (1993) found that the lender use accrual accounting information in making decision related to the firm. It makes the accrual figures more important because the financial report readers use this element to in making decision. A paper by Barth, Cram et al. (2001) has classified the accrual figure into several items and studied the relationship between accruals and future cash flow. By disaggregating the accrual items into changes in account receivable, account payable, inventory, depreciation and amortization and other accruals. The aim of categorizing the accrual items is to determine whether every accrual figure has increased the ability of earnings in predicting cash flow. They have concluded that in the long term, depreciation and amortization have significant power in predicting cash flow. They found that different ability might be influenced by the quality of that component itself. Moreover, Francis, LaFond et al. (2005) examined the quality of accrual; they suggested that the price shares by investors reflect their perception of accrual quality. Hence, lower quality accrual is related with

higher cost debt, small price multiple on earnings and large equity betas. In other words, the quality of accrual has influenced the perspective of an investor. It is explained that each accrual element has different ability to predict cash flow and earnings in the future and it depends on the quality of accruals and periodic predictions. Therefore, the roles of the manager to determine the accrual are indispensable

Several papers found that the accrual figures, this item has limited ability. Paper by Brochet, Faurel et al. (2008) distinguished the uses of accounting earnings element to forecast earnings and operating cash flow. The method is using the out of sample prediction, firm regression estimated and distinctive level of collecting the dependent variable. They used the market value of equity as a measure of future cash flow and stated that the accrual item gives a contribution in predicting cash flow when cash flow of the firm is volatile. Their findings reflect the accrual figures have limited ability in predicting cash flow. Lev, Li et al. (2010) expanded the classification of accrual. Using U.S. data, they divided the accruals into the accrual component estimated by manager and the one which is not estimated by manager. They summarized that the accrual component estimated by manager does not improve the ability of earnings in predicting cash flow, but it improves in predicting earnings. Both of evidences support that accrual figures has limited ability in forecasting firm performance.

I classify the accrual component into estimated by the manager and not estimated by the manager. The accrual component estimated by the manager consisted of the item that the managers can select the method to calculate the amount. Moreover, the accrual component not estimated by manager is the items that managers cannot put much of their though into it. Perhaps, the results of my paper enrich the empirical evidence in Indonesia.

3. Methodology

To examine the ability of accrual components estimated by manager, I conducted five OLS (ordinary least square) models. The reason is to measure the accuracy of each model in forecasting firm performance through error comparison; perhaps it can give empirical evidence of adding more variable to the model. I used the information obtained from the balance sheet and the cash flow statement. The formula below shows how to calculate firm performance:

$$\text{Model 1: } \text{CF}_{t+1} = \alpha_1 + \alpha_2 \text{FCF}_t + \alpha_3$$

$$\text{Model 2: } \text{CF}_{t+1} = \alpha_1 + \alpha_2 \text{NI}_t + \alpha_3$$

$$\text{Model 3: } \text{CF}_{t+1} = \alpha_1 + \alpha_2 \text{FCF}_t + \alpha_3 \text{NI}_t + \alpha_4 \text{WC}_t + \alpha_5$$

$$\text{Model 4: } \text{CF}_{t+1} = \alpha_1 + \alpha_2 \text{FCF}_t + \alpha_3 \text{NI}_t + \alpha_4 \text{WC}_t + \alpha_5 \text{INV}_t + \alpha_6$$

$$\text{Model 5: } \text{CF}_{t+1} = \alpha_1 + \alpha_2 \text{FCF}_t + \alpha_3 \text{NI}_t + \alpha_4 \text{WC}_t + \alpha_5 \text{INV}_t + \alpha_6 \text{D\&A}_t + \alpha_7 \text{DT}_t + \alpha_8$$

$$\text{CF}_t = \text{FCF}_t - \text{WC}_t - \text{DT}_t$$

$$\text{CF}_t^* = \text{FCF}_t - \text{WC}_t - \text{INV}_t - \text{D\&A}_t - \text{DT}_t$$

As I mention before the objective of my papaer is to established whether the accrual component etimate by manager have increase the ability in forecasting earning and cash flow, I forecast in next year (t+1) and next two years (t+2) to examine whether my result can be hold in the short term and in the long term. To sharpen the result I devided the earnings into net income and operating income beside, I devided

¹ CFO = Cash flow from operation, FCF = Free Cash flow, NI = Net income, OI= Operating income/ earning before interest and tax, CAPEX = capital expenditure, EST= Estimate (CFO-NI- Δ WC), Δ WC= Changing in working capital, Δ INV =change in Inventory, D&A = depreciation and amortization, DT= Defered tax, CF_t^* = Net estimate (EST- Δ INV-D&A-DT)

cash flow into cash flow from operation and free cash flow. In order to distinguish the best model among the 5 models, I obtain the error measurement which represents the tolerance interval (margin of error). I conduct three methods; there are Mean Absolute Forecast Error (MAER), the adjusted and Theil's U statistic. Mean Absolute forecast Error (MAER) use absolute sign and did not consider about the symbol whether it is more or less than the actual number. It is becomes the main method in my paper. to calculate the error. If the MAER of the model is low, it is suggested that the model has high predictive ability in forecasting earnings or cash flow. The adjusted method apply by using the amount is from yearly regression of actual value and the predicted value over the sample period. The adjusted is the coefficient of determination, represents how well the model is fit with the variable. It is explained the ability of the X variable in explaining the Y variable. The closer the adjusted to 1 indicates that X variables are able to determine the Y variable; however, this situation is applicable in time series data because the variables tend to underlying trend and make it highly correlated. Moreover, my data is cross sectional which is good to distinguish the best model and make the adjusted is lower than time series data. Theil's U statistic is the average of the yearly U statistic. The lowest amount of Theil's U statistic implied that the model can forecast better than another model. The method squares the deviations result and turn to put more weight to large errors to exaggerate errors. This make the error become more appears.

The implication of the test above is to measure which model that can give closer prediction to the actual number. I calculate the MAER, the adjusted and Theil's U in forecasting 1 year and 2 years ahead, to determine whether the result in the short term can be held in the long term. I conduct the error measurement in every year cross industry.

The samples in my paper consist of every firm listed on the Indonesian Stock Exchange market (IDX). I extract the data of each variable from Data Stream and sector classification from Indonesian Stock Exchange market (IDX) website. The data covers the period of 1997-2012. The types of data in my paper are cross sectional data and yearly data. The total firms in Indonesian Stock Exchange Market is 462 firms in year the 2012 and it is classifies into 9 sectors; However, I combine my sample into 3 sectors, Because I will have heterogeneous firms in a group that may affect my forecasting result besides, there is limited data available. I remove the financial in my sample, because the different firm's characteristic with the rest of my samples.

Usefulness of managerial estimate becomes the last test in my study. The objective of this test is to make sure my result is unbiased. Prior study by Poon and Granger (2003) stated that researchers should not rely on statistical significant only but also have to examine the economic significant. To measure the economic significant, I calculated the abnormal return using the CAPM method, then I compare the abnormal return between the 5 models. I argue that the model with accrual component estimated by manager has more abnormal return compared to the model without managerial estimate. I performed a series of portfolio and focusing on incremental stock return. The portfolio is generated based on the predicted value of cash flow and earnings (number come from previous test) in order to perform a portfolio. The highest abnormal return model implies that the model gives benefit for investor in making investment decisions. In this method I did not measure market efficiency, but I measured whether the model with managerial estimate will outperform in the real life comparing to model without managerial estimate. I argue that the abnormal return of each model is different, because every model is contained of various variables.

4. Result

I conducted 5 OLS models in order to distinguish the ability of accrual components estimated by manager in forecasting firm performance. Equations (1) and (2) are used for distinguishing the ability of aggregate earnings and cash flows to predict the next period of firm performance. Equation (3) disaggregates the earnings into the cash flow from operation and the accrual component not estimated by manager, this model becomes the middle model. Equations (4) and (5) examine whether disaggregating earnings into accrual components estimated by manager and not estimated by managers could enhance the ability of current earnings to predict the future firm performance. Equation (4) disaggregates earnings into cash flow, aggregate accrual components estimated by managers and not estimated by manager. Accruals component estimated by manager are elaborated further by Equation (5).

Table 1 Forecasting cash flow from operation and free cash flow time t+1 and t+2 table 1, represent the average result of forecasting cash flow from operation (CFO) and free cash flow (FCF) from 3 different types of sectors and methods in calculating the error from the year 1998-2012

CFO (T+1)	MAER	Adjusted	Theils U statistic	FCF(T+1)	MAER	Adjusted	Theils U statistic
Model 1	4.715	0.166	1830	Model 1	3.717	0.1289	2570
Model 2	4.847	0.139	1691	Model 2	4.117	0.1138	2835
Model 3	4.899&	0.173	2072	Model 3	4.126&	0.1340	2494
Model 4	4.717#	0.213	1559	Model 4	1.488#	0.1511	1237
Model 5	4.313#	0.256	1133	Model 5	4.428	0.1672	2810
CFO (T+2)	MAER	Adjusted	Theils U statistic	FCF(T+2)	MAER	Adjusted	Theils U statistic
Model 1	4.808*	0.207	1050	Model 1	3.278*	0.068	1013
Model 2	5.551	0.110	2269	Model 2	2.852	0.057	458
Model 3	5.003&	0.170	1244	Model 3	3.296&	0.070	497
Model 4	4.918#	0.277	1138	Model 4	2.858#	0.083	276
Model 5	4.423#	0.200	684	Model 5	3.337#	0.059	227

I conduct several steps to distinguish the appropriate model that can predict the firm performance. First step, I compare the MAER2 of model 1 (consist of CFO only) with MAER of model 2 (consist of NI inly) the number is 4.715 vs. 4.847. The lowest MAER is model 1 4.715 inference that total accrual did not have predictive power in forecasting CFO, in other words total CFO have better capability in predicting CFO. Second step, I compare MAER of model 1 with model 3 (consist of CFO and accrual component not estimated by manager) the number is 4.715 vs. 4.899, the reason is by including the managerial component not estimated by managers in model 3 might have increase the predictive power of earnings in predicting CFO. The lowest MAER is still Model 1, meaning that the accrual component not estimated by manager did not have excess ability than total CFO. Third step, I compare MAER of model 1 and model 4 (consist of CFO, accrual component estimated and not estimated by manager) the number is 4.715 vs. 4.717. Model 1 has the lowest MAER, but still I compare again with model 5 because there is possibility that when disaggregate the accrual components estimated by manager will have additional power in forecasting CFO; the amount. is 4.715 vs. 4.313 the lowest MAER is model 5. It is indicating that disaggregate the accrual components estimated by manager into depreciation and amortization (DNA), deferred tax (DT), changing in inventory (ΔINV), and net estimated (EST*) have increasing the predictive power of earnings in predicting CFO. With the deviation between the actual number and the predicted number in forecasting 1 year ahead are 431.3%. Besides, Model 5 also has the highest Adjusted which is imply the variable in model 5 can explain the CFO properly. My result support the FASB 1978 statement that clarified the earnings element might provide information about the present and future ability of the firm in generating cash. Besides, it is

consistent with (Ebaid 2011) that distinguishes the relationship between earnings component and future CFO in emerging countries. The findings show that earnings components have elevated ability in forecasting CFO. He used information from Egypt firms and argued that there is different behavior between emerging country (ex; Indonesia, Malaysia, Egypt, etc.) and developed countries (ex: U.S, U.K, etc.). In emerging country the investor is less mature, the information processing is not efficient, the disclosure requirement is low and also the amount of firms listed in stock exchange is less than in developed countries. Moreover, my result is contradict with Lev, Li et al. (2010). They used U.S. data and I argue that the difference is due to the different characteristic of the country that has been explain by Ebaid (2011) before.

I do the same method on free cash flow (FCF) From the table above, it is demonstrated that model 4 have the lowest MAER which is 1.488 and Theils U statistic which is 1237. It is implied that the model 4 which contains of CFO, accrual estimated and non-estimated by manager has the highest ability in forecasting 1 year ahead of FCF. The deviation from the actual number and the predicted number is 148.8%. Free cash flow number show the after tax cash flow that available for creditors and shareholders, it is related to long term firm growth.

In forecasting 2 years ahead, Model 4 also has the lowest MAER 2.858; indicated that the deviation between the real number with the forecasting number is 285.8%. Actually the amount of MAER between model 2 and 4 is the same. However, model 4 is more significant than model 2, besides model 4 also have lower Theils U statistic which is 276 comparing to model 2 which is 458. My result is in line with Greenberg, Johnson et al. (1986) as they found that earnings have effect in predicting cash flow. It can be concluding that the accrual components estimated by manager have ability in forecasting CFO and FCF in short term and long term. In more detailed explanation, in forecasting CFO disaggregates the accrual component estimated by manager into DT, DNA, Δ INV and net estimated have the highest ability. Moreover, in forecasting FCF accrual component estimated by manager in total have the excessive power.

Table 2. Forecasting operating income and net income time t+1 and t+2

Table 2, Represents the average result of forecasting operating income (OI) and net income from 3 different types of sectors and methods in calculating the error from the year 1998-2012.

OI(T+1)	MAER	Adjusted	Theils U statistic	NI (T+1)	MAER	Adjusted	TheilsU statistic
Model 1	2.490	0.160	283	Model 1	2.821*	0.155	156
Model 2	2.398	0.292	269	Model 2	3.064	0.339	279
Model 3	2.581&	0.178	304	Model 3	3.323	0.174	479
Model 4	2.262	0.341	221	Model 4	2.908	0.377	240
Model 5	1.882	0.353	65	Model 5	3.509	0.400	448
OI (T+2)	MAER	Adjusted	Theils U statistic	NI (T+2)	MAER	Adjusted	TheilsU statistic
Model 1	2.683	0.110	249	Model 1	3.448	0.106	796
Model 2	2.767	0.159	339	Model 2	3.517*	0.164	1175
Model 3	2.940&	0.118	498	Model 3	4.168&	0.114	2359
Model 4	2.734#	0.199	338	Model 4	3.429#	0.206	775
Model 5	3.130#	0.209	545	Model 5	3.344#	0.238	386

My result is in line with (Lev, Li et al. (2010)) in the short-term but not in the long-term. OI is calculated from deducting sales with cost of goods sold. In the long term, managerial estimate is not having additional power because OI is depending on the sales which are affected by the market. This situation make managerial estimate would not have an affect into OI in the long-term; however, in the short-term period, managerial estimate does have incremental power because in a short term manager can control several variables such as DNA.

Table 4 Forecasting net income time t+1 and t+2

Table 4, Represents the average result of forecasting net income (NI) from 3 different types of sectors and methods in calculating the error from the year 1998-2012.

Moreover in Net income (NI) This result is contradictive with forecasting OI. The model with the lowest MAER in forecasting 1 year ahead is model 1 which is 2.821 defining that the deviation between the actual numbers with the predicted number is 282.1%. This model also has the lowest Theils U statistic which is 156. It can be concluded that the CFO figure has the highest ability in predicting NI in next 1 year.

Furthermore, in forecasting 2 years ahead model 5 3.344 which is consists of disaggregate accrual component estimated by manager has incremental power in forecasting NI. It is explained that the difference between the actual number and the predicted number is 334.4%. Model 5 has the lowest Theils U statistic amount 386 which is indicate the result of square the deviation between the actual and the predicted number.

In forecasting NI in long term, accrual components estimated by manager have incremental power because manager can use their estimated in their financing decision. NI is calculated from deducting OI with taxes and interests. When manager chooses to borrow money from bank in long term it will increase the interest and decrease of the tax. With this choice, it affects the NI of the firm in the long-term; moreover, in short term accrual component estimated by manager does not have additional power because in short term the NI is depending on the market. Because the method of calculating OI and NI is different then I argue the result is contradicted

Due to the high error of 5 OLS models that I have conducted ranging from 148.8%-551.5%, it leads me question whether I calculated it in the right way or missing particular step. To increase the reliance of my study, then I conduct the random walk test models. This test is to distinguish past information to forecast the future firm performance Bowen, Burgstahler et al. (1986), Yun, Kim et al. (2012) used random walk model to distinguish the ability of cash flow figures and earnings figures in predicting cash flow.

Table 3. Forecasting random walk model 1 year and 2 year ahead. Represent the random walk model from the year 1998-2012 based on the past information from 3 different types of sectors and methods

T+1	MAER	Adjusted	Theils U statistic
CFO	3.398	0.743	260
FCF	5.020	0.737	3093
OI	1.611	0.711	69
NI	2.625	0.529	196
T+2	MAER	Adjusted	Theils U statistic
CFO	3.830	0.704	492
FCF	5.481	0.681	1677
OI	2.440	0.665	253
NI	3.280	0.487	456

From the result it can be seen that there is high MAER in using random walk model range from 161.1%-548.1%, this result is only slightly different with my OLS result 148.8%-551.5%. It can be implied that my result is correct but the reason of high error is because I divided the entire variable of my sample with the average asset. The high different between average asset of last year and current year turn to make the predicted and the actual number have the high deviation. If the average asset is high, it will affect the amount of every variable that I have.

Table 4 Abnormal returns by CAPM method from the year 2001-2012

CAPM	CFO	FCF	OI	NI
Model 1	-0.014	-0.007	0.009	-0.009
Model 2	-0.018	-0.016	-0.029	-0.008
Model 3	-0.008	-0.006	-0.011	-0.010
Model 4	-0.021	0.006	-0.025	-0.028
Model 5	-0.017	-0.009	-0.026	-0.028

The output in table 4 shows the average abnormal return. I compare the CAPM abnormal return and select the highest abnormal return in each measure of firm performances. Most of the result show that there is negative return, however, it turn to be FCF and OI have positive number which is mean that it have the abnormal return. Using the predicted number of FCF, model 4 have 6% yearly abnormal return and using the predicted number of OI model 1 have 8% yearly abnormal return. It is imply that when investor want to forecast FCF they can concern on accrual components estimated by manager, because it is give abnormal return when calculate the zero investment strategy.

The CAPM result strengthen my finding because it is show the benefit of concerning accrual components estimate by manager in real life will have positive effect for investor in process of decision making.

6. Conclusion

Using the classification of accounting component from (Lev, Li et al. (2010)). I found that by disaggregating the accrual component estimated by manager into changing in inventory, deferred tax, depreciation and amortization, the ability of earnings in predicting cash flow from operation, free cash flow increases in short term and long term. Moreover, disaggregating the accrual component estimate by manager increases the earnings power in forecasting operating income for short term and operating income for long term. Besides, in calculating the economic significance of accrual component estimated by manager, the abnormal return is high only when calculating the free cash flow. It is means that accrual component estimate by manager have significance role in forecasting free cash flow.

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EXPERIENCE AND ATTITUDES TOWARDS USING INFORMATION AND COMMUNICATION TECHNOLOGY IN TEACHING AND LEARNING

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ABSTRACT

Digital competences are becoming a relevant element in the process of globalisation and economic development. Accessibility to E-learning materials in primary, secondary and tertiary education is an important part of education. This article aims to explore the accessibility of digital technology connection, with an emphasis on the development of students' social and professional competences. The research explores the student ICT levels (information and communication technology) knowledge, accessibility to technology and an opinion about their social and professional competences. The statistical data of using ICT tools in Croatian schools is explored in order to find out the elements of teaching scenarios used to create teachers training curriculum that incorporates digital technology. According to results from pilot studies, elements of possible-learning scenarios for the STEM (Science, Technology, Engineering and Mathematics; in Croatian Mathematics, Physics, Chemistry and Biology) area of teaching were analysed. Good knowledge and skills in this area enabled primary and secondary schools students to develop competences for future tertiary education and a competitive labour market. These results could be used to design student/teacher ICT training.

Keywords: Digital competences, Information and communication technology, STEM subjects.

1. INTRODUCTION

The usage of Information and Communication Technology (ICT) is becoming an important part of the current teaching and learning process. Teachers and students are developing their digital skills and competences in relation to modern technology. Digital competences include confident, critical and creative use of ICT, which enables goals related to work to be achieved, employability, learning, leisure and inclusion and/or participation in society (cited by Ferrari, 2013, pp 37). The mainstream of education in European countries is focused to the area of mathematics, sciences and technology. The reason is to adopt the education to the needs of modern society, particularly education and economy development. According to EACEA (2012), 20% of Croatia graduates in 2010 came in the MST (Mathematics, Science and Technology) area of sciences that includes Mathematics, Science, Computing and Engineering. The

research was conducted among 34 European Countries. According to the data, 17 countries have more than 20% of graduates that come for the MST area.

The Croatian National Curriculum Framework for preschool education and general compulsory and secondary education from 2007 (pp 22) emphasises that one of the expected educational achievements or outcomes is acquiring information, technical and technological competences. The ICT competences that students acquire after completing their secondary education will be used to search for, collect and organise data, to analyse and synthesise information, to research, model and simulate processes in natural sciences, to problem solve and create new ideas and emphasise efficiency in learning as well to collaborate with others. Digital competences include the confident and critical use of ICT at work and at home (Ministry of Science, Education and Sport, National Curriculum Framework for 0-1 Preschool Education and General Compulsory and Secondary Education, 2010, pp 26). Competences in technology enables people to apply scientific knowledge to human needs and the impact of human activity. According to the website statistica.com (Schwandt & Kröger, 2015), 96% of people aged 16-24 use the Internet on a daily basis. The percentage of Internet users aged 25-34 is 90%, 35-44 years old use the Internet less (86%), 79% of those aged 45-54 use the Internet on a daily basis and 68% people aged 55 or older use the Internet on a daily basis.

1.1 Literature & Theory

The mainstream and the impact of using information and communication technology in the European schools is explored by Brecko *et al.* (2014). The policy action is focused to the usage of the ICT ICT-ELI (Enabled Learning Environment) in European schools. The elements of this strategy are focused to the professional development of teachers and staff, infrastructure, organisational development, leadership and research. The teachers and staff from 22 European countries recommended improvements in curriculum, policy, school and the professional development of staff.

According to the European Commission/Education and Training Monitoring 2015 Croatia (2015), 15 year old Croatians have higher levels of underachievement in mathematics and science in comparison to their peers in other EU Countries. The data collected for 2014 showed that 29.9% of 15 year old Croatians underachieve in mathematics and 17.3% underachieve in science. The European averages for the same subjects are: 22.1% of young people (15 years old) underachieve in mathematics and 16.6% underachieve in science. The same document explored the vision of more digitally mature schools, which aim to include ICT equipment in each school, teacher training for ICT/digital competence, school staff training, encourage creative thinking and prepare students for a competitive labour market.

This research, conducted by Wilson *et al.* (2015), placed an emphasis on the importance of ICT learning progression and social networking. The authors explored variables, such as knowledge about computers in the process of transition to ICT literacy, as applied in teaching of traditional and non-traditional school subjects. These competences and knowledge are applied to curriculum assessments.

1.2 Related Works

ICT can be successfully applied in different areas of learning. The aim of research conducted by Svensson & Baelo (2015) was to estimate the perception by students of teachers regarding their digital competences. The elements of their self-perception were used for future training and professional development. The improvement of the teacher ICT competences includes pedagogical aspects of teaching (Bulali *et al.*, 2013). ICT competences and the possibility for interactive teaching needing to be developed among teachers and educators at all levels of education (Soleša & Soleša-Grijak, 2011). A useful tool for collaboration between school teachers is school networking with virtual platforms for exchanging information and examples of good practice (Butter *et al.*, 2014). Generally, using ICT in education of science depends on the level of digital competences of primary and secondary school teachers, which in turn have consequences in STEM and all other areas of teaching.

ICT usage in teaching and learning could be applied to design teacher training to develop their digital competences for STEM areas of subjects. Gracenea *et al.* (2015) explore learning scenarios for the teachers through the process of monitoring, critical analysis, training and personalised approaches. The learning scenario includes an institutional designed model for learners and teachers regarding to the tools and methods that will be used to achieve learning outcomes. Some of the basic elements of the learning scenario incorporated in the learning scenarios of STEM subjects are: creativity, motivation, research questions which are connected to experienced based learning and the possible implementation of digital technology usage. These elements are used as the theoretical framework for estimating the learning scenarios in STEM subjects. The self-efficacy of online teacher communication depends on gender: male respondents have higher level of self-efficacy in online communication when using ICT tools in comparison to female teachers. The grade level has no correlation with the online communication self-efficacy of prospective teachers (Demir & Yurdugül, 2015). For example, Cunska & Savicka (2012) found that secondary school mathematics teachers could use interactive educational methods and ICT tools for promoting mathematics among secondary school students. Physics ICT can be used for the experimental team work in exploring different topics such as electric circuits and the optical phenomena in the atmosphere (Gosak & Pavlin, 2012). Chemistry teachers' attitudes towards applying ICT tools in teaching are important for creating an E-learning environment and are related to computer attributes, teachers' digital competences, culture perception and gender (Zhou *et al.*, 2010). Biology teachers in the south of Croatia reported positive aspects of using ICT and the Moodle platform for the creation of the teaching sensation for biology. They also emphasise the need for further education and training linked to teaching scenarios supported by ICT. School infrastructure needs to be improved by ICT technology (Kostović-Vranješ, 2016) and the existing teaching curriculum can be improved with topics related to computer and information literacy (Kostović-Vranješ & Tomić, 2014).

The main goals of two pilot studies are the measurement of the current situation in E-learning among Croatian students. The goal of the first research is to estimate university student attitudes towards the possibility of professional and social skills development. These skills will be an important factor for further education and employment in a competitive labour market. Respondents estimate their own experience in using E-learning materials in the second part of the research study. They evaluate experiences with E-learning technologies, accessibility to the Internet, approximate duration of daily Internet use and the benefits of social networks. The pilot studies provides insight to the current implementation of E-learning.

2. METHODS

Two separate studies were conducted in order to collect the data for exploring the current knowledge and habits of using information and communication technology in learning. In the first study, respondents were asked to estimate their attitudes towards different objects with regards to professional and social communication competences. The second study, a survey on student ability to create a virtual learning environment, was conducted online. Both studies were conducted at the beginning of the academic year. The reason to collect the responses at the beginning of the first semester of the undergraduate study is to measure the incoming digital competences immediately after completing the secondary education. The respondents are asked to estimate their opinion towards the different objects at the SD PK scale.

2.1. Respondents

Respondents in the first study are $N=158$ students. The majority of students were female $N_F=95$ (60.13%) and the rest were male students $N_M=63$ (39.87%). The respondents in second study were $N=79$ University students, $N_M=17$ (21.52%) and number of female respondents is $N_F=62$ (78.48%). All respondents were aged 18-19, they were university students at the first year of the undergraduate Information Systems, Economy and Entrepreneur Study Programme.

2.2 Measurement Instruments

The Survey "Student Ability to Create Virtual Learning Environments" was created by Dijana Karuović of the University of Novi Sad and was designed to estimate the digital competences of students as the part of the second study. The whole measuring instrument contains 33 items, with demographic characteristics and mostly multiple-choice questions. The instrument has 5 areas of research. In this paper, the responses linked to the Internet usage, LMS and web applications were be interpreted.

In second study the respondents were asked to estimate their opinion towards the different objects at the SD PK scale from 1-5. The SD PK scale is a type of rating scale which measures the attitudes and connotative meaning of objects, events and concepts (Osgood, 1957 in Dalton *et al.*, 2008). The SD PK scale is designed by author of this research for the purposes of measuring attitudes towards the importance of different social and professional skills, which will be useful for students during education. The whole PK SD Scale contains demographic variables such as gender and age, plus 10 objects for evaluation. Each evaluation object is estimated through 10 pairs of objectives and some of them will be presented in this Article.

3. RESULTS

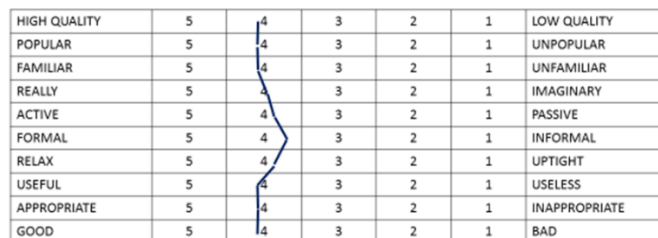
Students attitudes towards communication and the possible development of professional and social skills acquired through the learning process are presented below.

3.1. Students opinion towards skills acquired through schooling

The Semantic differential tool was used and the results are presented in Figures 1 and 2.

Figure 1

Students Attitudes towards Communication (N=79)



The students' estimates were mostly positive or neutral. Results (Figure 1) showed that student's attitudes towards communication were positive and the dominant value was 4 (on a 1-5 scale). Their opinion about the social and professional competences, which they acquire through education, were mostly positive or neutral (Figure 2). This result could be interpreted as the link between studying and further employment in the way that the study curriculum enabled good preparation for the future labour market. Teacher attitudes were related to the students' positive attitudes towards the usage of ICT in education (Sánchez *et al.*, 2012).

Figure 2

Students Attitudes towards Social and Professional Competences (N=79)

HIGH QUALITY	5	4	3	2	1	LOW QUALITY
POPULAR	5	4	3	2	1	UNPOPULAR
FAMILIAR	5	4	3	2	1	UNFAMILIAR
REALLY	5	4	3	2	1	IMAGINARY
ACTIVE	5	4	3	2	1	PASSIVE
FORMAL	5	4	3	2	1	INFORMAL
RELAX	5	4	3	2	1	UPTIGHT
USEFUL	5	4	3	2	1	USELESS
APPROPRIATE	5	4	3	2	1	INAPPROPRIATE
GOOD	5	4	3	2	1	BAD

Legend: ——— Social Competences - - - Professional Competences

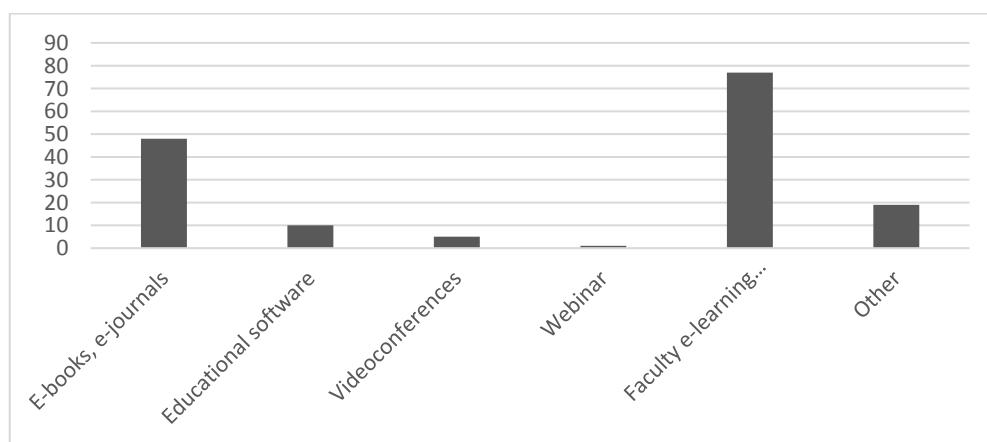
3.2. The Usage of Information and Communication Technology for Learning and Communication

In second study, the 158 freshman students in the undergraduate Information Systems, Economy and Entrepreneur Study Programme were asked about their habits linked to the using of the information and communication technology. They were asked to estimate how many hours do they usually spend online. Their answers are presented at the Figure 3. More than half of the students (91 respondent or 57.58%) reported that they usually spend several hours each day being online. Several hours means 3-8 hours each day. The rest of the students reported that they spend more than 8 hours per day online (19.62%) or that they spend only few hours per day online (22.15%). Only one student spent less than one hour per day online. The results could be interpreted in order to emphasise the importance of quality of ICT tools and digital E-learning materials for students.

Students were asked which type of digital devices they used. Approximately 1/3 students used computers, 1/3 mobile phones or tablets and 1/3 students use both devices for the purpose of learning, networking and leisure time. The majority of students reported that they have access to the Internet on a daily basis (93.67%) and have experience in using E-learning materials (87.34%). This high level using E-learning materials results from implementing E-learning platforms at all teaching subjects at the all levels of study. The platforms like Moodle and Merlin are implemented in secondary school education. In spite of these relatively high results, the majority of university students reported that they have no experience in creating web applications. Only 14 respondents (8.86%) at the first year of undergraduate study created web pages by themselves. These results could lead to implementation in the secondary school curriculum for the development of digital competences.

The majority of students use the following technology in their learning: Faculty E-learning platforms, e books or e journals and different education software's. At the moment, video conferences and webinars are not so popular for teaching and learning. Results are presented at the Figure 3. According to student opinion, video conferences or different types of educational software are not used so frequently. This area of teaching that could be improved by the implementation of different ICT tools in education and by supporting teacher training.

Figure 3
Types of E-learning Technologies Used by Students (N=158)



3.3. The Possibility for Implementation of Students ICT Experiences in STEM Subjects

According to initial results, elements of training programmes to increase the development of digital competences for STEM areas of teaching could be included in learning scenarios. The learning scenarios could be designed for basic, medium and advanced levels of teachers' digital competences. The complexity of each level has been designed according to the following elements of this DIGCOMP (Ferrari, 2015): information, communications, content creation, safety and problem solving. In order to estimate how students and teachers are satisfied with learning scenarios in STEM areas of teaching, parallel forms of self-measuring instruments have been designed. The research is part of follow up activities. The results show the initial motivation for researching and self-oriented learning approach. School infrastructure, Internet access and enough computer tablets in each classroom are also predictors of successfully ensuring the learning outcomes in STEM areas of teaching.

4. CONCLUSION AND FUTURE WORK

The levels of digital competences for secondary school students after finishing secondary school are at different levels. Most of students use E-learning materials presented on different E-learning platforms.

The majority of students have access to the Internet and use computers or self-phones for communication, learning and networking in leisure time. After finishing secondary education, students have neutral or positive attitudes towards professional and social competences that they acquired during education.

The results could be explored and interpreted for the purposes of designing the training for the primary schools and secondary schools teachers for supporting their secondary school students' digital competences. The school infrastructure and Internet access and availability of ICT support staff could be implemented in order to achieve learning outcomes in the STEM (Science, Technology, Engineering and Mathematics) areas. According to DIGICOMP (Ferrari, 2013), teachers could develop the following digital competences: information, communications, content creation, safety and problem solving, divided at basic, medium and advanced levels. The different levels of digital competences enable creating the national training syllabus for individual needs of each group of teachers. Improvements will be focused to the teaching material, developing teachers' digital competences and ensuring information and communication equipment for schools. Digital resources can be used by teachers for training design (Ciolan *et al.*, 2014). The further motivation for learning, the competences and knowledge that pupils and students will gather through the subjects like Mathematics, Science and Technology, could be successfully implemented at the area of the future competitive tertiary education and labour market.

5. ACKNOWLEDGEMENTS

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SCHOLARLY DEBATE ON THE FATHER OF MODERN MALAY LITERATURE

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ABSTRACT

The Western colonization of the Malay world, especially by the British, had a powerful impact on Malay literature. This was consistent with the mission of the colonialists, whereby their presence in the colony would never be forgotten. One effort by the British that will always be remembered to this day is the division of Malay literature into two periods, the traditional and the modern, with the recognition given to Abdullah Munshi as 'The Father of Modern Malay Literature'. Through two works by Abdullah Munshi, namely *Kisah Pelayaran Abdullah* and *Hikayat Abdullah*, Malay literature was introduced to a new literary convention that was ego-oriented, critical and with themes other than fantasies or fables. Because of this 'modernity', Abdullah Munshi was 'excluded' by his own audience for challenging the old conventions that had been passed down. It was only almost half a century after his death that budding writers started to copy his writing model. Accordingly, several local and Western scholars emerged to express their views with regard to the recognition given to Abdullah Munshi as the 'The Father of Modern Malay Literature'. Therefore, the objective of this study was to explain the views of those scholars and to analyse the factors that caused this difference in opinion. This study employed a descriptive method to explain how Abdullah Munshi's image was created by the West and how the renewal of this lie disturbed the Malay rulers and the community. As a result, 'The Father of Modern Malay Literature' successfully fulfilled the goal of the West in Malaya despite the fact that it was offensive to Malay literature itself.

Keywords- Individualism, Malay Literary Convention, Modern Malay Literature, Traditional Malay Literature, Western Colonialization.

INTRODUCTION

The Malay manuscripts that have been passed down, which are the *magnum opus* of the Malay government, provide evidence of the birth of a literary institution known as the 'court poets'. In fact, this group of 'court people' were commissioned to compose various genres of literary manuscripts as well as letters or messages that were sent by the king to commemorate the establishment of diplomatic relations with other governments (Siti Hawa Salleh, 2009:135). This meant that the court poets were individuals who understood the laws, customs and taboos of the court that served to legitimise the sovereignty of the king. Therefore, as the 'court intellectuals', their main goal was to compose works that revolved around the 'truth'. However, the court poets or authors such as Tun Seri Lanang, Raja Chulan, Raja Ali Haji and several others had to abide by the existing constraints, especially those set by the king, as the patron of this pursuit, who certainly did not condone any criticism against him or his system of government. Therefore, the Malay authors had to use their intellect here to manipulate the subtleties of the Malay language by resorting to testaments, symbolisms, allusions, metaphors and several other forms to describe the 'reality' without inviting the wrath of the king. This literary convention was in line with the definition of '*sastera*' (literature) which means: "1. A compilation of good essays, with beautiful language and nice contents; 2. Artful language, where it can be seen that the language used in the

literature generally has an artistic style, then the 'literature' can also mean the art of language" (Abdul Rahman al-Ahmadi, 1966:3).

Throughout the centuries, the conventions of Malay authorship have been progressing smoothly, starting from the development of Islam in the 15th century AD. Several genres, especially works of historiography, *hikayat* and many others were composed in keeping with their category as the products of 'court literature'. However, the arrival of the British in the Malay World disturbed the allegiance to these authorship conventions by introducing the growing trend of realism from the West. This trend, characterized by reality, gave authors the freedom to voice their opinions without any constraints from other parties. This 'modernity' was introduced by the British into their colonies, including Malaya. Through Abdullah Munshi and his autobiographies, *Kisah Pelayaran Abdullah* (1838) and *Hikayat Abdullah* (1843), the corpus of Malay literature started to experience a 'culture shock' (Skinner, 1978:468). Furthermore, the introduction of this new genre into Malay Literature resulted in the literature being divided into periods, i.e. the traditional and the modern, whereby Abdullah Munshi was characterized as 'The Father of Modern Malay Literature'. However, starting from 1907, the recognition accorded to Abdullah Munshi as the founder of Modern Malay Literature elicited various reactions that triggered a debate between Western and local scholars. Therefore, the objective of this study is to use the descriptive method to explain the views of some of these scholars. This study will only focus on the opinions of scholars who, throughout their studies, acknowledged or opposed the recognition of Abdullah Munshi as 'The Father of Malay Literature'. Indirectly, this study will highlight the background of the development of Malay literature that led to the division of the traditional-modern periods.

PERSPECTIVE OF SCHOLARS WHO ACKNOWLEDGED THE RECOGNITION OF ABDULLAH MUNSHI

Colonization by the British introduced a new genre to the colonised communities, especially in Asia. What was interesting was that the colonization experience in India gave the British such a wealth of experience that they were motivated to choose an author of Tamil origin, such as Abdullah Munshi, in Malaya. According to Skinner (1978:469), the earliest 'diary' in the Asian continent was produced by Ananda Rangga Pillai, the secretary to Mr. Duplex, in Pondicherry in the middle of the 18th century AD. Thirty years later, in 1786 AD, the first travelog in the Indian language (Malayalam) was produced by Paramakkal Thoma after accompanying the Bishop of Kodunggal to Rome (Skinner 1978:469). Meanwhile, the first Malay language travelog in Malaya was introduced through the *Hikayat Perintah Negeri Benggala* by Ahmad Rijaluddin in 1810 AD (Skinner 1978:466). He was the first Tamil native who succeeded in writing a travelog on the encouragement of Captain Robert Scott, a British trader who proposed that their journey from Penang to Calcutta, India be recorded. Then, on 27 March 1838 on a journey to Kelantan, the name of Abdullah Munshi appeared in response to a challenge by an American missionary named Alfred North that a travelog/autobiography be written, thus resulting in the writing of the book, *Kisah Pelayaran Abdullah* (1838). Clearly, in this work, Abdullah Munshi applied the idea of realism in his writings at the request of Alfred North (Skinner 1978: 481). Based on this writing scheme,

Abdullah Munshi frankly criticised the Malay ruler and his government from his personal observation without taking into account the sensitivities of the Malay community. His enthusiasm to produce works on the scale of realism was intensified through *Hikayat Abdullah* (1843), which was described as a successful contribution by Abdullah to the world of Malay literature.

The praise by Alfred North (Skinner, 1978:480-481) that Abdullah's writing was "[...] *a work of singular interest in beautiful Malay, and in all respects a new thing in the language*" led to him being bestowed the title of 'Founder of Malay Literature' by R.J. Wilkinson in 1907. Wilkinson (1907:60), who was the secretary to the Resident of Perak, was the first individual to elevate Abdullah Munshi as 'the pioneer of Modern Malay Literature' through his writings in *Papers on Malay Subjects* in 1907. *Hikayat Abdullah* was used as a reference by English cadets in an effort to understand the Malay worldview and values. This contribution by *Hikayat Abdullah* became more meaningful when Wilkinson (1957:i) adopted no less than 15,000 words from this work to be included in the *Kamus Melayu-Inggeris (A Malay-English Dictionary)*, which he published. Abdullah Munshi's work continued to be used as a 'model' by scholars in the colonial period in an effort to understand the worldview and the ethos of the colonised society. For example, Thomson (1984:323), in 1864 argued that Abdullah, "*did a rare thing amongst the Malays. He wrote an ample autobiography in the Malayan language*". This argument was supported by Winstedt (1940:117), who was of the opinion that Abdullah was an innovator in Malay literature because his works inspired the idea of realism in his community. A local scholar, Za'ba (1940:142), believed that Abdullah managed to change the allegiance from elements of fantasy and legends to contemporary writing. Skinner (1959) continued to bestow on Abdullah Munshi the highest title as 'The Father of Modern Malay Literature'. Indirectly, Malay literature is divided into two periods, the traditional and the modern. The courage of Abdullah Munshi in introducing a new Western style to Malay literature to the extent that he was prepared to be sidelined by his own people (Skinner 1959: vi). Skinner (1959:6) added that Abdullah Munshi was aware that through these new tools his call to the Malay community to shed their inherent ignorance in Malay literature and culture could be realised. Indirectly, he was hoping that Malay authors would move forward and strive to 'come out' of the conventional style of writing. Skinner's (1959:6) reason for raising the stature of Abdullah Munshi was reinforced by his argument that Abdullah wrote with his very own style without any model or copying from Malay individuals before him. However, Malay authors after Abdullah had a role model to emulate if they wished to discuss 'modernity', what more when journalistic developments at the end of the 19th century AD dispersed the seeds of 'modernity' that were first planted by Abdullah Munshi, such as 'democracy in writing' and 'photography'. Based on these elements, Abdullah Munshi deserves to be recognised as an agent of change in Malay literature. Skinner's opinion was expanded on by Ismail Hussein in 1974. He (1974:1) based the divide between the traditional and the modern in Malay literature on the introduction of the printing machine. For him, the printing machine not only brought about changes to Malay literature but also revolutionised the concept of Malay literature. It was from here that Abdullah Munshi should be recognised as the founder because of his connection to printing. A. Bakar Hamid (1979), A. H. Johns (1979) and Yahya Ismail (1987) also agreed and acknowledged Abdullah Munshi's style, describing him as an "individual presenting a personal point of view and who is one of

the earliest expressions of the encounter between East and West". This was reinforced by the opinion of Kassim Ahmad (1981: xiv-xv) that Abdullah Munshi introduced democratic values and injected fresh vigour into the Malay community. Malay authors were nurtured to be courageous in voicing their views in their works. Mohd. Taib Osman (1988:281) also praised the ability of Abdullah Munshi in discussing his personal criticisms of contemporary issues in a transparent manner in his works. For him (1988:281), Western civilization characterised modernity, and Abdullah Munshi was 'westernized and symbolised the new Malay world or civilization'. In that regard, it is only appropriate that Abdullah Munshi be recognised as 'the originator of Modern Literature'. Meanwhile, Muhammad Hj. Salleh (1988: xiii) agreed with Mohd. Taib Osman that although Abdullah's writings retained the classic style in their contents, his works were more critical and free in using modern elements with a new perspective. Clearly, several of the above scholars acknowledged that the recognition given to Abdullah Munshi marked the beginning of the modern period in Malay literature. Obviously, Abdullah Munshi was prepared to fend off any implications that may have arisen from his courage in changing the conventions of Malay writing because it was mentioned, "[...] its 'newness' derived from its realism and it is this realism that is seized upon Abdullah as being the hallmark of a new, modern literature" (Skinner 1978:471).

PERSPECTIVE OF SCHOLARS WHO OPPOSED THE RECOGNITION GIVEN TO ABDULLAH MUNSHI

Although Abdullah Munshi successfully introduced a new perspective into the world of Malay literature, his contributions remained doubtful, and he was even denied recognition. For example, Syed Muhammad Naquib al-Attas (1971) challenged the recognition given to Abdullah Munshi by suggesting that Hamzah Fansuri, an intellectual from Aceh, deserved that title (al-Attas 1971:28-29). According to him, Abdullah merely continued with tradition in writing *Sejarah Melayu*, which was "[...] gradually being displaced by the new stream of literature brought about by Islam". Furthermore, Abdullah only continued with the 'modernity' introduced earlier by Hamzah Fansuri as the style of individualism, inner self-expression, creative use of language and its ambiguity (al-Attas 1969:44). This opinion was supported by A.Teeuw (1989:410-418), who stated that the 'modernness' of a figure depends on how the audience is encouraged to find and discover themselves as the 'modern man'.

Sweeney and Phillip (1975: xxiii-xxiv) believed that Abdullah Munshi was a figure whose writings were 'ego-oriented'. This was evidenced by Abdullah's ability to forget about the Malay literary conventions that were being embraced at that time, let alone to accept the switch in the patronage of the arts, which was no longer dominated by the Malay rulers. Furthermore, according to Sweeney and Phillips (1975: xxiv), Malay authors who were working with Europe, with 'it's individual' advantage in writing, had a tremendous potential of which the Malay court composers were unaware of. For example, Abdullah Munshi was the first author who was clever enough to take advantage of this opportunity. This was proven in the 19th century AD, when the impact of Abdullah Munshi's work was felt by the European community in the Straits Settlements. They printed his book, sold it, translated it into English and even referred to it for academic research purposes. However, Abdullah's writings did not have the

expected impact on the Malay community and that is why he did not have any followers after his death. After the end of the 19th century and in the early 20th century AD, the seed of Abdullah Munshi's writing style, for example, his autobiography and biography, started to bear fruit, and began to be emulated by his own son, Munshi Ibrahim, and authors from Johor such as Mohamed Salleh Perang and Mohamad Said Sulaiman.

The rejection of Abdullah Munshi as 'The Father of Modern Malay Literature' intensified when Hassan Ahmad (1976:289) agreed with the idea by Syed Muhammad Naquib al-Attas. According to him, before Abdullah Munshi, figures like Hamzah Fansuri and Nuruddin ar-Raniri had much earlier on introduced the elements of rationalism and discarded elements of superstitions and fantasies in their compositions. What's more, the writing style that was championed by Abdullah did not symbolize the conventions of real Malay penmanship. Sweeney (1980:16-17) added to this when he said, '*Abdullah's postulated audience was European, not Malay, and that Malay humility is not one of the implied author's qualities*'. Thus, the individual who most deserved that honour was Muhamad Salleh Perang because he composed his autobiographical works for the Malay rules and audience (Sweeney 1980:18). According to Sweeney (1980:15), Abdullah Munshi was unpopular among his contemporaries and is only now being accepted by the Malay community. This view was reinforced by Sweeney (1980:17), who stated that Abdullah's criticisms were aimed at promoting his name among the European patrons. In addition, how could such an honour be awarded to an individual who was not a pure-blooded Malay (Ras 1985:341)? Ras (1985:341) pointed out that although Abdullah Munshi was born in Malaya, had mastered and was fluent in the Malay language, and was able to read Malay literary texts without difficulty, he remained proud of his Tamil roots. Therefore, it was not surprising that Abdullah Munshi was so brave in his criticisms of the Malay rulers and ignored the Malay literary conventions that had been passed down for ages. He suggested that Abdullah Munshi should be rightly dubbed '*The Peripheral of Malay Literature*' only (Ras 1985:341). Watson (1989:3) shared the opinion of Sweeney (1980) and Ras (1985) that the recognition accorded to Abdullah Munshi was questionable because his writings were not for the Malay audience.

The last scholar whose interesting opinion should be highlighted is Ungku Maimunah Mohd. Tahir (1997). She expressed the view that the recognition given to Abdullah Munshi only acknowledged the definition of 'literature' in the understanding of the West and not that of the Malay community. If Abdullah Munshi's works were being praised for 'their contents' and not for their 'aesthetic' value, this meant that the Malay community recognised figures who lack 'literary value'. Obviously, Ungku Maimunah's opinion (1997:186) called for a more in-depth study into the recognition accorded to Abdullah Munshi. She added that the Malay community had to accept a 'Father of Modern Malay Literature' who produced 'non-literary' works. This peculiarity added to the confusion when the recognition accorded to Abdullah Munshi as an important figure in Malay literature was 'offensive' to Malay literature itself (Ungku Maimunah 1997:186).

CONCLUSION

Based on the scholarly debate with regard to the recognition of Abdullah Munshi as 'The Father of Malay Literature', it was found that those who approved of it outnumbered those who were against it. Most reacted differently and expressed conflicting sentiments. For example, if the opinion came from a colonial scholar, it was inclined to praise the contributions of the imperialists to the colony. According to Cohn (1996:46), this was a trick of the colonialists, in line with the motto 'Knowledge is Power', to ensure their presence was welcomed in the colony. This was proved by the experience of the British in India, that "*To appear legitimate in the eyes of the Indians, the British thought they had to demonstrate respect and interest in those Indians and institutions that were the carriers of the traditions*". Thus, it comes as no surprise that they continued with this formula when they colonized Malaya. Meanwhile, some of the scholars who opposed the recognition given to Abdullah believed that a great 'modern' writer is one who fulfils his responsibilities to his audience. For example, Wang Gungwu, as quoted by Hadijah Rahmat (2001:57), opined that "[...] *the sense of community or social responsibility is stronger than a writer's sense of individualism, and in fact the writer's studies invariably present the perceived need to hold on to one's culture in the face of change*".

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