Impact of Internet Financial Reporting on Stock Returns and Trading Volume of Banking Stocks

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Abstract

This study studies and determines the impact of financial reporting on the Internet on stock returns and trading volume. This study is quantitative—a retraction of research ideas backed by previous investigations employing the same variables and Signal theory. Internet Financial Reporting, Stock Returns, and Trading Volume are research variables. The population for this study consists of 43 banking companies listed on the Indonesia Stock Exchange for the period 2021. This study used a purposive sampling method to obtain a total sample size of 29 banks. Secondary data in financial statements are processed and utilized Using Eviews 12, the analytical strategy comprises descriptive statistical analysis and a panel data regression test. The results indicate that Internet Financial Reporting has a positive but negligible impact on the stock returns and trading volume of Indonesia Stock Exchange-listed banking companies. Internet Financial Reporting has not been a factor in determining whether investors are happy with the stock return data. The minimal influence of Internet Financial Reporting on Stock Returns is due to the inability of the company's Internet Financial Reporting value to offer investors complete information about stock returns before making investment decisions in banking companies. This indicates that Internet Financial Reporting has not become a factor in determining whether investors are satisfied with the information they receive regarding Stock Trading Volume. The negligible impact of Internet Financial Reporting on Stock Trading Volume is due to the inability of the company's Internet Financial Reporting value to offer investors accurate information regarding Stock Trading Volume before making investment decisions in banking firms.

Keywords: Internet Financial Reporting; Stock Returns; Trading Volume; Banking Stocks

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Introduction

The capital market plays a big role for business actors. Through the capital market, business actors obtain funds to expand their business by increasing the company's ownership by selling shares. Everyone who buys shares, then we know the investor. Every investor in the capital market always expects a level of profit called return (Pandiangan, 2018). Stock Return is the rate of return on shares and information that investors will use to determine their investment decisions. Stock returns and trading frequency are influenced by many factors, one
of which is internet financial reporting (IFR). Fitriani, (2016) argues that IFR is a unique form of disclosure that becomes a medium for companies to provide information to the broader community as soon as possible. Disclosure of financial information on the company's website is a form of voluntary disclosure practiced by various companies. The Financial Services Authority through the Financial Services Authority Regulation Number 31 /POJK.04/2015 concerning disclosure of material information or facts by issuers or public companies, considering that in order to improve the quality of disclosure by issuers or public companies, primarily related to material information or facts, it is necessary to improve regulations regarding information disclosure that must be immediately announced to the public by stipulating financial services authority regulations regarding disclosure of material information or facts by issuers or public companies (Almilia & Budisusetyo, 2019).

IFR has a significant role in making investment decisions in the stock market by being an effective communication medium for investors. According to Maryati (2014), the information disclosed in the IFR should ultimately reflect the company's condition, thoroughly in conditions that occurred so that the information can be useful for investors. The more information disclosed by the company through IFR signals to the market that investors are interested in investing in the company. According to Muyasaroh (2014), capital market participants will evaluate every announcement issued by issuers. This will cause several changes in stock trading transactions, for example, changes in the volume and frequency of stock trading in stock prices and bid/ask spreads, the proportion of ownership, and others. This indicates that announcements that enter the market contain information, triggering capital market participants. This is in line with what was stated by (Dorner, 2005; Aschayani & Difinubun, 2021), namely that financial information available to the public will impact stock movements. If a company continues to use IFR, then the financial information of the company will be conveyed quickly to users of financial statements. Conversely, if a company does not use IFR, the response to financial information is prolonged. Before the company used IFR, its financial information was spread in a limited way so that it did not get a broad response from investors, and there were many irregularities. However, after the company uses IFR, the company is helped in expanding the distribution of financial information and disseminating information about the company's advantages that aim to attract investors and reduce uncertainty about the company's prospects. In addition, as an effort from the company to reduce information asymmetry (Nurlita et al., 2017). The relationship between Internet Financial Reporting (IFR) with stock returns and stock trading volume is supported by signaling theory which states that positive or negative signals from a company depend on how much the company discloses information to the market. The speed of information from a company determines the speed of market reaction in the form of investment decisions, whether selling, buying, or holding shares owned by investors.

| Emiten | Stock Returns September | Stock Returns Oktober | Stock Volume September | Stock Volume Oktober |
|--------|------------------------|-----------------------|-----------------------|----------------------|
| BBTN   | -0,044                 | -0,194                | 25.858.400            | 42.466.500           |
| BBNI   | -0,051                 | -0,010                | 13.735.400            | 28.163.200           |
| BMRI   | -0,025                 | 0,019                 | 50.843.400            | 55.632.700           |
| BBRI   | -0,009                 | 0,000                 | 154.582.600           | 218.534.400          |

Source: https://finance.yahoo.com/
Based on the calculation of stock returns and stock volume in 4 banking sector companies in September and October 2018, it is known that the stock returns of banking companies in October are negative or there is no return. However, on September 2, out of 4 banking companies had positive stock returns. Meanwhile, the trading volume of shares of 4 banking companies in September 2018 increased from October 2018. The banking sector is an important sector for the country's economy because of the intermediary function of banking companies—the distribution of funds from people who have excess to those who are lacking and in need of funding. However, based on the results of a preliminary study conducted by calculating stock returns and stock trading volumes of several banking sector companies on the Indonesia Stock Exchange, it was found that the stock return rate has a negative value, which means it has no rate of return. Even though it is at a negative value, stock returns show a growth movement in a positive direction or towards improvement. This is also supported by the increasing volume of stock trading, which has increased which is an indication of investor interest in the shares of a company (Sinaga et al., 2020).

Research conducted by (Pandiangan, 2018) found that internet financial reporting significantly affects the company's stock return. Meanwhile, Fitriani (2016) research found that internet financial reporting significantly affects stock trading volume. This study's results differ from those (Almilia & Budisusetyo, 2019), which examines the effect of Internet Financial and Sustainability Reporting on profitability, stock prices, and stock returns on the Indonesia Stock Exchange. Almilia & Budisusetyo, (2019) found that Internet Financial Reporting (IFR) does not significantly affect the stock returns of manufacturing companies on the Indonesia Stock Exchange. The same results were also found by (Maryati, 2014), who found that Internet Financial Reporting had no significant effect on the company's stock returns. Meanwhile, (Muyasaroh, 2014) found that IFR had no significant effect on stock trading volume. Nurlita's research (2017) found no difference in trading volume activity before and after Internet Financial Reporting (IFR).

Based on the results of a review of previous research, it was found that there was a research gap in the form of inconsistencies in research results. Internet financial reporting (IFR) does not always influence stock returns and trading volumes. Thus, researchers are interested in re-examining the effect of internet financial reporting (IFR) on stock returns and stock trading volume. This research is a replication of Fitriani's research (2016). The difference between this study and Fitriani's research is that this study focuses more on internet financial reporting (IFR) and does not include the variable level of website information disclosure. In addition, the difference between this study and Fitriani's research is the object of research. Fitriani (2016) took manufacturing companies as the object of research, while this study took the object of research on banking sector companies listed on the Indonesia Stock Exchange.

Spence first introduced the signal theory in a study entitled Job Market Signaling. Spence argues that the sender (information owner) tries to provide relevant pieces of information that can be utilized by the recipient (Handayani & Ikbal, 2017). The receiving party will then adjust its behavior according to its understanding of the signal. Signal theory explains that companies use financial statements to give positive or negative signals to users (Immanuela & Purbandari, 2016). In this study, the signal theory provides information from the company to outside parties, such as investors, for investment decision-making. The
information provided should provide complete, timely, and relevant information so that investors can use it as a consideration for making investments.

Trading range theory states that stock splits will increase stock trading liquidity. The stock market price reflects the value of a company. The higher the stock price, the higher the company's value, and vice versa. However, if the stock price is overvalued, it will affect the ability of investors to buy shares, causing the effect if the stock price is challenging to increase again. According to the Trading Range Theory, a stock price that is overvalued will cause a decrease in stock activity for trading. With the stock split, the stock price will be assessed not too high, so it will increase the ability of investors to make transactions, especially small investors. In other words, the stock will be more liquid (Marsudi, 2015).

The concept of an efficient market was first proposed and popularized by Fama in 1970. In this context, the capital and money markets are meant by the market. A market is said to be efficient if no one, both individual investors and institutional investors, will be able to obtain abnormal returns after adjusting for risk using existing trading strategies. The price, volume, and frequency of shares formed in the market reflect the available information (Hussein & Nounou, 2021). Fahmi (2012) explained that the general conditions that must be met to create an efficient capital market are disclosure, balanced market, and free market conditions. The practice of IFR in disseminating financial statements is an attempt to reduce agency costs (Yassin, 2019). Maryati, (2017) divides the capital market efficiency model into three forms based on the information used in decision-making: the weak form, the half-strong form, and the strong form.

An efficient market is where the prices of all traded securities reflect all available information (Zadeh et al., 2018). The information available must be relevant to the securities being traded so that the information can quickly influence the price of the securities being traded. The faster the information is distributed, the faster the investor will react to the information, whether he will sell, buy, or hold the shares he owns. According to Sukanto (2018), an efficient capital market has three types of hypotheses, namely as follows: 1) Efficient in weak form. An efficient market in a weak form means that all past information will be reflected in the prices of securities formed today. 2) Efficient in semi-strong form. An efficient market in the semi-strong form is a more comprehensive form of market efficiency because apart from being influenced by market data (stock prices and past trading volumes), it is also influenced by all published information such as earnings, dividends, announcements of stock splits, issuance of new shares, and difficulties. The company's finances. 3) Efficient in solid form. In a potent form of an efficient market, all information, both published and unpublished, is reflected in the security's current price.

The use of the internet for the presentation of corporate financial and non-financial information is commonly referred to as Internet Financial Reporting (IFR). Tifania (2020) states that IFR is an effective communication tool for customers, investors, and shareholders. The information disclosed in the IFR should reflect the company's condition completely and thoroughly under the conditions that occurred so that the information can be useful for investors. According to Hidayah Putri (2019), the IFR measurement is based on the IFR Index, which was developed based on four criteria: content, timeliness, use of technology, and user support. Internet Financial Reporting includes company financial information via the internet or website (Abdillah & Putriana, 2021). Thus, it is better for companies also to start using
internet media as a strategy for improving company performance. Use of internet media in Indonesia, several provisions and regulations apply in Indonesia to support this use, namely: 1) Financial Services Authority through Financial Services Authority Regulation Number 31 /POJK.04/2015 Regarding Disclosure of Material Information or Facts by Issuers Or a public company. 2) Article 1 point 2 of Law no. 8 of 1997 concerning Documents. 3) General Development Strategy of the Indonesian Capital Market Blueprint 2000-2004. 4) Regulation no. IE, as attached in the Decree of the Board of Directors of the Jakarta Stock Exchange No. Kep-306/BEJ/07-2004, dated July 19, 2004, concerning Obligations to Submit Information.

Shares are evidence that is given as an investment in ownership of capital or funds in a company or a paper with a stated nominal value and company name followed by rights and obligations explained to each holder (Gurusinga, 2016). Types of shares issued by the company: 1) Preferred Stock. According to Rahman (2018), to attract more investors, companies can issue certain types of shares that give some privileges to their holders. This type of stock is called preferred stock. Generally, preferred stockholders have priority rights over common stockholders regarding dividend distribution (cash dividend preference) and company assets at the time of liquidation (liquidation preference). 2) Common Stock. According to Anisma (2015), when an individual is officially formed (through the assets of a company establishment), the individual will start selling ownership rights in the form of shares. Stocks as capital securities describe the investor's ownership in the investee company. If the individual has only one type of share or one class of shares, then the shares are referred to as ordinary shares.

Trading activity in a very high volume on an exchange will be interpreted as a sign that the market will improve. An increase in stock trading volume coupled with a price increase signifies a more muscular bullish condition (Omran & Ramdhony, 2016). The reaction of the capital market to information can also be seen by Trading Volume Activity (TVA). Sukanto (2018) states that Trading Volume Activity is an instrument that can be used to see the capital market's reaction to information through the parameters of the movement of stock trading volume activities in the market.

The signaling theory states that the larger the company will tend to disclose more information to give positive or negative signals to the market. The faster the information is distributed, the faster the investor will react to the information, whether he will sell, buy, or hold the shares he owns. This is in line with the efficient securities market theory, which states that the price of securities will fluctuate as new information relevant to the security emerges. The fluctuating stock prices due to the disclosure of information on the internet will further affect the stock returns obtained by investors. This research is supported by (Almilia & Budisusetyo, 2019; Maryati, 2014), which examine the influence of Internet Financial and Sustainability Reporting on profitability, stock prices, and stock returns on the Indonesia Stock Exchange.

**H1:** Internet Financial Reporting has a positive and significant effect on stock returns.

When company information is distributed quickly by companies through IFR, investors will be able to find out quickly, reducing information asymmetry and shortening information
accessibility delays. When investors get information quickly, they will immediately react to it, whether they will buy, sell the shares they own, or hold the existing ones. When a group of investors jointly takes a specific action on a stock, the stock price in the market will change, and a change will follow this change in the stock price in the stock's trading volume. So, it can be said that companies implementing IFR will have responsive stock prices and a higher trading frequency than those not implementing IFR. This is because helpful information for investors can be published more quickly and thoroughly. The study's results (Fitriani, 2016) found that internet financial reporting significantly affected stock trading volume.

**H2:** Internet Financial Reporting has a positive and significant effect on the trading volume of the company's shares.

**Research Design and Method**

This type of research is quantitative research. The population in this study are banking companies listed on the Indonesia Stock Exchange for the period 2021, a total of 43 banking companies. Determination of the sample in this study using the purposive sampling method. Purposive sampling uses the criteria set by the research (Sugiyono, 2015). The criteria used include, among others, banking companies listed on the IDX according to the 2021 observation year; Banking companies that publish annual reports/financial reports on the internet periodically according to the 2021 observation year period; Banking Companies that have complete data needed in research. Based on the characteristics of the determination of the research data, the research data obtained were 29 banks, according to the research population. Sources of data in this study used secondary data, namely data obtained from company documents and written information about the company's state related to the discussion. The data collection technique used is documentation, namely by finding and collecting data from the website of the IDX and the website of each banking company that is the research sample. The analytical method consists of descriptive statistical analysis and panel data regression test with the help of Eviews 12.

Table 2. Operationalization of Variables and Measurements

| Variable                        | Indicator                                                                 | Reference                          |
|---------------------------------|---------------------------------------------------------------------------|------------------------------------|
| Internet Financial Reporting (X1) | IFR = Skor Content + Punctuality Score + Technology Usage Score + User Support Score | (Maryati, 2017; Yassin, 2019)       |
| Stock Returns (Y1)              | \( R_t = \frac{P_t - P_{t-1}}{P_{t-1}} \)                                  | (Pandiangan, 2018)                 |
| Stock Trading Volume (Y2)       | \( TVA_{it} = \frac{Stock Trading Volume, In t – Period}{Number of Shares, Outstanding in t – Period} \) | (Marsudi, 2015; Sukanto, 2018)     |

**Results and Discussion**

**Statistical Result & Discussion**

Descriptive statistical results of banking companies listed on the Indonesia Stock Exchange based on observations of IFR values, Stock Returns, and Stock Trading Volumes are presented in table 3.
Table 3. Descriptive Statistical Analysis

|                          | N  | Minimum | Maximum | Mean  |
|--------------------------|----|---------|---------|-------|
| Internet Financial Reporting | 29 | .46     | .85     | .6300 |
| Stock returns            | 29 | -1.00   | 4.26    | .3296 |
| Trading Volume           | 29 | .00     | 1.84    | .3295 |
| Valid N (listwise)       | 29 |         |         |       |

Source: Processed Data (2022)

The description of the descriptive statistics of banking companies in table 3 shows that the IFR variable shows a maximum value of 0.85, a minimum IFR value of 0.46, and the average IFR value of 0.63. The Stock Return variable shows a maximum value of 4.26; the minimum value of Stock Return is -1.00; the average value of Stock Return is 0.32, and the Stock Trading Volume Variable shows a maximum value of 1.84. The minimum value of share trading volume is 0.00, while the average value of the stock trading volume is 0.32. Then the normality test was carried out using the Jarque-Bera (JB) test, with a significance level of $\alpha = 0.05$. The test results are shown in Figure 1:

Figure 1. Normality Test Results Model 1
Figure 2. Normality Test Results Model 2
Source: Data processed by eviews, 2022

Table 4. Autocorrelation Test Results

|                  | Durbin-Watson stat |
|------------------|--------------------|
| Model 1          | 1.248738           |
| Model 2          | 1.551482           |

Source: Output Eviews V.12 (2022)

The results of the autocorrelation test are seen from the Durbin-Watson Stat value in model 1, which is 1.248738, and Durbin-Watson Stat in model 2, which is 1.551482. The Durbin Watson (DW) value is between -2 and +2, so it can be concluded that there are no symptoms of autocorrelation. Furthermore, the heteroscedasticity test was carried out to see whether, in the regression model, there was an inequality of variance from the residuals of one observation to another.
Table 5. Heteroscedasticity Results

| Model | Info                  | Score   | Info            | Score   |
|-------|-----------------------|---------|-----------------|---------|
| 1     | F. Statistik          | 3.822335| Prob.F(1,27)    | 0.0610  |
|       | Obs* R-Square         | 3.596344| Prob.Chi-Square (1) | 0.0579  |
|       | Scaled explained SS   | 5.189680| Prob.Chi-Square (1) | 0.0627  |
| 2     | F. Statistik          | 3.13871 | Prob.F(1,27)    | 0.0751  |
|       | Obs* R-Square         | 6.81477 | Prob.Chi-Square (1) | 0.0659  |
|       | Scaled explained SS   | 8.40742 | Prob.Chi-Square (1) | 0.0893  |

Source: Output Eviews V.12 (2022)

Based on table 5, the results of the heteroscedasticity test were obtained with the Harvey test. Based on table 5, the probability value of Chi-Square Obs*Rsquared > 0.05 both from model 1 and model 2. So, it can be concluded that there is no heteroscedasticity problem in these two regression models.

This study's panel data regression analysis model 1 uses a fixed effect model. The selection of the common effects method as the panel data analysis method was previously tested through the Chow test and the Hausman test with various considerations, so finally, the fixed effects model method was chosen to test the panel data in this study.

Table 6. Partial Test (t Test) Model 1

| Variable                  | B        | Std.Error   | t        | Sig.    |
|---------------------------|----------|-------------|----------|---------|
| Contant                   | 0.15768  | 0.165095    | 8.542237 | 0.0000  |
| Internet Financial Reporting| 0.23703  | 0.242461    | 1.864767 | 0.0527  |
| R Squared                 | 0.54054  |             |          |         |
| Adj. R-Squared            | 0.38614  |             |          |         |

Source: Output Eviews V.12 (2022)

Table 6 shows that Internet Financial Reporting has a value greater than 0.05, namely 0.0527, with a positive regression coefficient of 0.23703, indicating that H0 is accepted and H1 is rejected. So, it can be concluded that Internet Financial Reporting has a positive but insignificant effect on stock returns. Furthermore, the determinant coefficient test (Adjusted R2) was carried out to measure the extent to which the independent variables in this study consisted of Internet Financial Reporting in explaining the dependent variable, namely Stock Return. Based on table 6, the Adjusted R-squared value is 0.38614 or 38.61%. This shows that the independent variables, including Internet Financial Reporting, can explain the dependent variable, namely stock returns of 38.61%. At the same time, the remaining 61.39% is influenced by other variables not included in this study.

This study's panel data regression analysis model 2 uses a fixed effect model. The selection of the common effects method as the panel data analysis method was previously tested through the Chow test and the Hausman test with various considerations, so finally the fixed effects model method was chosen to test the panel data in this study.

Table 7. Partial Test (t Test) Model 2

| Variable                  | B        | Std.Error   | t        | Sig.    |
|---------------------------|----------|-------------|----------|---------|
| Contant                   | 0.60642  | 3.752356    | 1.965060 | 0.0020  |
| Internet Financial Reporting| 0.72145  | 0.367121    | 1.711616 | 0.0581  |
| R Squared                 | 0.52512  |             |          |         |
| Adj. R-Squared            | 0.39272  |             |          |         |

Source: Output Eviews V.12 (2022)
A partial significance test (T-test) was conducted to show how far the influence of one independent variable on the dependent variable individually to be tested at a significance level of 0.05. If the significance value in the regression model is more than 0.05, then H0 is accepted, and Ha is rejected, and vice versa; if the significance value of the regression model is less than 0.05, then H0 is rejected, and Ha is accepted. Table 7 shows that Internet Financial Reporting has a value greater than 0.05, namely 0.0581, with a positive regression coefficient of 0.72145, indicating that H0 is accepted and H0 is rejected. So, it can be concluded that Internet Financial Reporting has a positive but insignificant effect on trading volume.

Furthermore, the determinant coefficient test (Adjusted R2) was carried out to measure the extent to which the independent variables in this study consisted of Internet Financial Reporting in explaining the dependent variable, namely trading volume. Based on table 7, the Adjusted R-squared value is 0.39272 or 39.27%. This shows that the independent variables, including Internet Financial Reporting, can explain the dependent variable, namely trading volume, by 39.27%. At the same time, the remaining 60.73% is influenced by other variables not included in this study.

Discussion

The results of this study indicate that Internet Financial Reporting has a positive but not significant effect on Stock Return, which has a positive regression coefficient on Stock Return, which means that high Internet Financial Reporting has an impact on increasing Stock Return. In other words, the higher Internet Financial Reporting in disclosing the company's financial information, the higher the distribution of Stock Return information to investors. Meanwhile, based on the partial test, it is known that Internet Financial Reporting has no significant effect on Stock Return. This means that Internet Financial Reporting has not become a determining factor for whether investors are satisfied with the stock return information. The insignificant effect of Internet Financial Reporting on Stock Returns is because the company's Internet Financial Reporting value has not been able to provide complete information regarding stock returns to investors in making decisions to invest in banking companies. The descriptive description of the research shows this the researcher has put forward in the descriptive statistics table above.

The results of the study are supported by Signal theory, which is about how a company should give signals to users of financial statements. This signal is in the form of information about what management has done to realize the owner's wishes. Signals can be in the form of promotions or other information stating that the company is better than others. Meanwhile, according to Wijaya, (2017) signaling theory is the behavior of company management in providing instructions to investors regarding management's views on the company's prospects for the future. Based on the meaning of signal theory, the significance of the influence is explained through the sense of signals received by the company's external parties. According to signal theory, the greater disclosure of financial statement information through IFR gives a positive signal or provides investors with complete information about stock returns. In other words, the faster the data is distributed, the faster investors will react to the Stock Return information. Signal theory explains that companies use financial statements to provide positive or negative signals to the wearer (Maryati, 2014). In this study, a signal theory is used
to provide information from the company to outside parties, such as investors, for investment decision-making. The information provided should provide complete, timely, and relevant information so that investors can use it as a consideration for making investments. Thus, according to signal theory, Internet Financial Reporting has a positive but insignificant effect on stock returns due to the low disclosure of information provided by Internet Financial Reporting related to the value of stock returns to investors. This study's results align with the findings of previous research proposed by (Almilia & Budisusetyo, 2019) that internet financial reporting has no significant effect on stock returns. Meanwhile, previous research presented different results (Aschayani & Difinubun, 2021), which found that internet financial reporting had a significant effect on stock returns. Even in the findings of Nurlita (2017), it is explained that there is no change in stock returns before and after using internet financial reporting.

Internet Financial Reporting has a positive but insignificant effect on Stock Trading Volume, which has a positive regression coefficient on Stock Trading Volume, which means that high Internet Financial Reporting affects increasing Stock Trading Volume. In other words, the higher the Internet Financial Reporting in disclosing the company's financial information, the higher the stock trading volume information distribution to investors. Meanwhile, based on the partial test, it is known that Internet Financial Reporting has no significant effect on Stock Trading Volume. This means that Internet Financial Reporting has not become a determining factor for whether investors are satisfied with the Stock Trading Volume information received. The insignificant effect of Internet Financial Reporting on Stock Trading Volume is because the company's Internet Financial Reporting value has not been able to provide complete information related to Stock Trading Volume to investors in making decisions to invest in banking companies. The descriptive description of the research shows this the researcher has put forward in the descriptive statistical table above.

The research results are supported by Signal theory. Signal theory explains why companies have the urge to provide financial statement information to external parties. The company's incentive to provide information is to reduce information asymmetry between the company and outsiders because the company knows more about the company and its prospects than outsiders (investors, creditors). Lack of outside information about the company causes them to protect themselves by charging a low price for the company. Companies can increase the value of the company by reducing information asymmetry. One way to reduce information asymmetry is to provide signals to outsiders, one of which is in the form of reliable financial information and will reduce uncertainty about the company's prospects (Marsudi, 2015). Based on the meaning of signal theory, the significance of the influence is explained through the meaning of signals received by the company's external parties. According to signal theory, the greater disclosure of financial statement information through IFR gives a positive signal or provides investors with complete information related to Stock Trading Volume. In other words, the faster the information is distributed, the faster investors react to the Stock Trading Volume information. Thus, according to signal theory, Internet Financial Reporting has a positive but insignificant effect on Stock Trading Volume due to the low disclosure of information provided by Internet Financial Reporting regarding the value of Stock Trading Volume to investors. This study's results align with previous research findings (Muyasarah, 2014) that internet financial reporting has no significant effect on stock trading.
volume. Meanwhile, previous research presented different results (Sinaga et al., 2020) and found that internet financial reporting significantly affected stock trading volume.

Conclusions

Based on the research results and discussion in the previous chapter, this study concludes that Internet Financial Reporting has a positive and insignificant effect on stock returns in banking companies listed on the Indonesia Stock Exchange. The higher the Internet Financial Reporting in disclosing the company's financial information, the higher the influence of the distribution of Stock Return information to investors. Internet Financial Reporting has a positive and insignificant effect on the Volume of Stock Trading in Banking Companies listed on the Indonesia Stock Exchange. This means that Internet Financial Reporting has not yet become a determining factor for whether or not investors are satisfied with the Stock Trading Volume information. This is the research findings that Internet Financial Reporting positively affects stock returns and trading volume. It is recommended that banking companies continue to increase the disclosure of Stock Return Information and stock trading volume; one of the ways this research offers is to improve the quality of IFR. Further research is expected that researchers add other variables to explain the remaining 90% of the determination test of the stock return variable and the remaining 95.6% of the determination test of the stock trading volume variable in this study, that it is better to add method formulations, variables and increase the number of research samples to ensure the level of accuracy and consistency of research results.

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