

TABLE OF CONTENTS

COVER PAGE	
TITLE PAGE	
DECLARATION OF AUTHENTICITY OF FINAL PAPER AND UPLOAD AGREEMENT	ii
APPROVAL PAGE BY FINAL PAPER ADVISOR.....	iv
APPROVAL PAGE BY FINAL PAPER DEFENSE COMMITTEE.....	Error!
Bookmark not defined.	
ABSTRACT	vi
ABSTRAK.....	vii
PREFACE	viii
TABLE OF CONTENTS.....	x
LIST OF FIGURES	xiv
LIST OF TABLES	xv
LIST OF APPENDICES.....	xvi
CHAPTER 1.....	1
INTRODUCTION	1
1.1 Background of the Study.....	1
1.2 Problem Limitation.....	6
1.3 Problem Formulation	7
1.4 Objective of the Research	8
1.5 Benefit of the Research	8
1.5.1 Theoretical Benefit.....	8
1.5.2 Practical Benefit	9
CHAPTER II	10

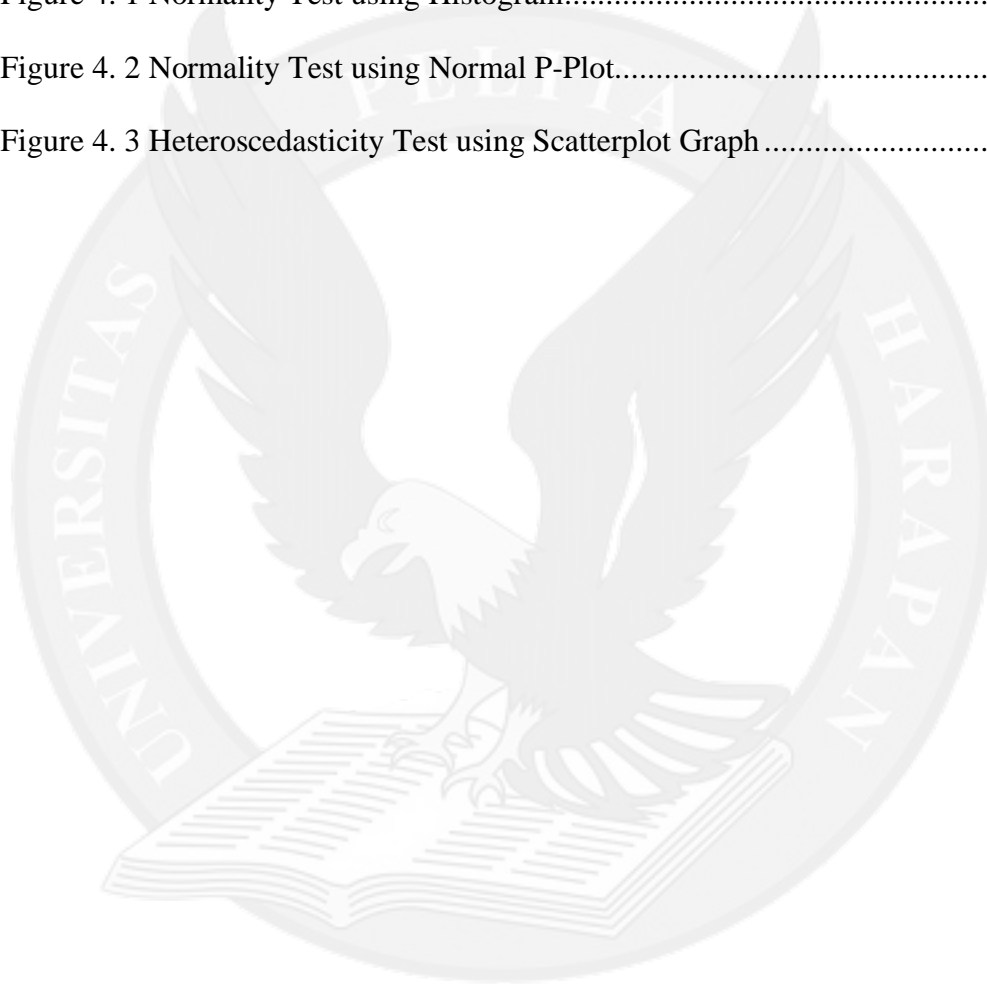
LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT	10
2.1 Theoretical Background.....	10
2.1.1 Agency Theory.....	10
2.1.2 Definition of Tax.....	11
2.1.3 Income Tax	12
2.1.3.1 Definition of Income Tax	12
2.1.3.2 Measurement of Income Tax	12
2.1.4 Profitability.....	13
2.1.4.1 Definition of Profitability	13
2.1.4.2 Measurement of Profitability	13
2.1.5 Company Size	15
2.1.5.1 Definition of Company Size	16
2.1.5.2 Measurement of Company Size	16
2.1.6 Transfer Pricing.....	17
2.1.6.1 Definition of Transfer Pricing.....	17
2.1.6.2 Regulations of Transfer Pricing in Indonesia	18
2.1.6.3 Measurement of Transfer Pricing	19
2.2 Previous Research.....	20
2.3 Hypothesis Development	28
2.3.1 The Effect of Tax Towards Transfer Pricing.....	28
2.3.2 The Effect of Profitability towards Transfer Pricing	28
2.3.3 The Effect of Company Size towards Transfer Pricing	29
2.3.4 Tax, Profitability and Company Size towards Transfer Pricing.....	29
2.4 Research Model	30
2.2 Framework of Thinking	31
CHAPTER III.....	32
RESEARCH METHODOLOGY	32
3.1 Research Design	32

3.2	Population and Sample	33
3.2.1	Population	33
3.2.2	Sample	33
3.3	Data Collection Method	35
3.4	Operational Variable Definition and Variable Measurement	36
3.4.1	Dependent Variable (Y)	36
3.4.2	Independent Variable (X)	37
3.4.2.1	Tax (X ₁)	37
3.4.2.2	Profitability (X ₂)	37
3.4.2.3	Company Size (X ₃)	38
3.5	Data Analysis Method	39
3.5.1	Descriptive Statistics Analysis	39
3.5.2	Classic Assumption Test	39
3.5.2.1	Normality Test	39
3.5.2.2	Multicollinearity Test	40
3.5.2.3	Autocorrelation Test	41
3.5.2.4	Heteroscedasticity Test	42
3.5.3	Multiple Linear Regression Analysis	44
3.5.4	Hypothesis Testing	45
3.5.4.1	Simultaneous Significance Test (F-test)	45
3.5.4.2	Coefficient of Determination Test (R ² test)	45
3.5.4.3	Partial Significant Test (t-test)	46
CHAPTER IV		48
RESEARCH RESULT AND DISCUSSION		48
4.1	General Description of Consumer Goods Companies	48
4.2	Data Analysis	53
4.2.1	Descriptive Statistics	53
4.2.2	Result of Data Quality Testing	55
4.2.2.1	Normality Test	55

4.2.2.2	Multicollinearity Test.....	59
4.2.2.3	Autocorrelation Test.....	60
4.2.2.4	Heteroscedasticity Test.....	61
4.2.3	Multiple Linear Regression Analysis.....	63
4.2.4	Results of Hypothesis Testing.....	65
4.2.4.1	Partial T-Test.....	65
4.2.4.2	Simultaneous F-Test.....	66
4.3	Discussion.....	68
4.3.1	The Effect of Tax towards Transfer Pricing.....	68
4.3.2	The Effect of Profitability towards Transfer Pricing.....	69
4.3.3	The Effect of Company Size towards Transfer Pricing.....	70
4.3.4	The Effect of Tax, Profitability and Company Size towards Transfer Pricing.....	72
CHAPTER V	74
CONCLUSION	74
5.1	Conclusion.....	74
5.2	Recommendation.....	75
REFERENCES	81

LIST OF FIGURES

	page
Figure 2. 1 Research Model	30
Figure 2. 2 Framework of Thinking.....	31
Figure 4. 1 Normality Test using Histogram.....	58
Figure 4. 2 Normality Test using Normal P-Plot.....	58
Figure 4. 3 Heteroscedasticity Test using Scatterplot Graph.....	62



LIST OF TABLES

	page
Table 1. 1 Taxes, Profitability, Company Size and Transfer Pricing In Year 2017-2019.....	4
Table 2. 1 Summarization of Previous Researches	26
Table 3. 1 Sampling Criteria	35
Table 3. 2 Definition of Operational and Measurement of Variable	38
Table 3. 3 Durbin-Watson Interpreting Table	42
Table 4. 2 Normality Test before Outlier.....	56
Table 4. 3 Normality Test after Outlier.....	57
Table 4. 4 Multicollinearity Test	59
Table 4. 5 Autocorrelation Test using Durbin-Watson Test	60
Table 4. 6 Autocorrelation Test using Run Test.....	61
Table 4. 7 Heteroscedasticity Test using Coefficient Correlation Spearman's Rho Test.....	63
Table 4. 8 Multiple Linear Regression Analysis	64
Table 4. 9 Results of Partial T-Test Analysis.....	65
Table 4. 10 Results of Simultaneous F-Test Analysis	67
Table 4. 11 Results of Coefficient Determination Test	67
Table 4. 12 Summary of Hypothesis Test Results.....	73

LIST OF APPENDICES

APPENDIX A: LIST OF POPULATION AND SAMPLE OF CONSUMER GOODS COMPANIES LISTED ON INDONESIA STOCK EXCHANGE FOR THE PERIOD 2017-2019.....	A-1
APPENDIX B: CALCULATION OF RELATED PARTY TRANSACTION	B-1
APPENDIX C: CALCULATION OF EFFECTIVE TAX RATE	C-1
APPENDIX D: CALCULATION OF RETURN ON ASSETS.....	D-1
APPENDIX E: CALCULATION OF COMPANY SIZE	E-1
APPENDIX F: DURBIN WATSON-TABLE	F-1

