Original Article

Valuation And Quantification Of Assets, Liabilities, And Income In Pharmaceutical Company In Indonesia

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Abstract

This study aims to analyze the valuation and quantification of assets, liabilities and income in pharmaceutical companies in Indonesia. This research is qualitative in nature, namely research that holistically intends to understand the phenomenon of what is the subject of research, be it events, perceptions, or actions, and in a descriptive way the approach used uses a conceptual approach, and literature studies The results of the study show that valuation and asset quantification use three approaches, namely the market data comparison approach, the revenue capitalization approach and the cost approach, where pharmaceutical companies in Indonesia tend to use these three approaches in assessing assets, then the debt policy of pharmaceutical companies in Indonesia when viewed from the the debt to equity ratio shows a fluctuating value where the risk of debt is still high for the company due to the high value of this ratio, furthermore the income of pharmaceutical companies in Indonesia tends to fluctuate where during the covid 19 pandemic pharmaceutical companies experienced significant revenue growth.

Keywords: Valuation, Quantification, Aset, Liabilities, Income

Introduction

The pandemic, which is experienced almost evenly throughout the world, has made us aware of the importance of medicines, medical devices and health workers. Every country, drug and pharmaceutical manufacturers are competing to research and develop a COVID-19 vaccine and encourage many countries to invest more in health research programs and procure vitamins, supplements and immune-boosting drugs. In Indonesia, pharmaceuticals is a promising sector. As a result of increased demand, the Government has included the medical device and pharmaceutical sectors as part of priority sectors in an effort to realize the Making Indonesia 4.0 program. The Indonesian government is trying to increase the competitiveness of the medical device and pharmaceutical sectors by encouraging the implementation of technology-based digital transformation. (Noviarty & Edryani, 2021 and Masyitah et al., 2022)

According to data from the Ministry of Health, until 2021, there will be 241 pharmaceutical manufacturing industries, 17 medicinal raw material industries, 132 traditional medicinal industries, and 18 natural product extraction industries. The growth of medical equipment production facilities also continues to increase. From 2015 to 2021, the number of companies producing medical devices increased from 193 to 891 companies. Furthermore, in the last five years, the domestic medical device industry has grown by 361.66 percent or approximately 698 companies. (kemenkes.go.id)

The improvement and development of company assets in the pharmaceutical sector is certainly a priority to be maintained and accompanied by the company's financial capabilities so that the balance between income and liabilities continues to run dynamically (Betavia et al., 2022). Assessment and quantification become an important part of management for monitoring purposes. Asset valuation is the process of determining the fair market or present value of an asset, using book values, absolute valuation models such as discounted cash flow analysis, option pricing models or comparables. Such assets include investments in marketable securities such as stocks, bonds and options; tangible assets such as buildings and equipment; or intangible assets such as brands, patents, and trademarks (Simarmata et al., 2022). Asset valuation plays a key role in finance and often consists of both subjective and objective measurements. The value of a company's fixed assets which are also known as capital assets or property plant and equipment are directly assessed, based on their book value and replacement cost. However, there are no numbers in the financial statements that tell investors exactly how much a company's brand and intellectual property is worth. Companies may overvalue goodwill in acquisitions because the valuation of intangible assets is subjective and difficult to measure. Meanwhile, asset quantification is the process of taking inventory of all assets owned by a company for monitoring purposes, and developing the assets themselves in order to achieve company goals. (Rodionov et al., 2020a)

Source: BPKM of Indoensia

Figure 1: Investment Growth in the Pharmaceutical Industry in Indonesia

In an effort to add and increase asset capacity, companies sometimes choose the loan route, both short term and long term. Loans in the form of debt will have an impact on the company if not managed properly. It is certain that the company will bear a higher interest burden the longer the term and the amount of debt. Debt is capital that comes from external sources and is temporarily employed by the company, and must be repaid by the company concerned. An obligation as a transferor of assets or to be able to provide services in the future. Debt is also an economic sacrifice that must be made by the company in the future due to previous actions or transactions. Debt is classified into two, namely current liabilities or also called short-term debt (STD), and non-current liabilities or long-term debt (LTD). Short Term Debt is a term debt that has a maturity period of one year . While Long Term Debt is a term debt that has a maturity period of more than one year. (Nguyen & Nguyen, 2020)

Another interesting thing to discuss with pharmaceutical companies is the income of the pharmaceutical company itself. Based on financial report data compiled by DataIndonesia.id, 10 out of 11 companies released their financial reports for the past 2021. Of these, the average revenue of the 10 pharmaceutical issuers rose 25.72% throughout 2021. Only one issuer has recorded a decrease in revenue, namely PT Organon Pharma Indonesia Tbk. (SCPI) by 25.37% (yoy) from IDR 2.89 trillion to IDR 2.16 trillion. From the bottom line side, the average net profit of the 10 pharmaceutical issuers recorded an increase of 160.39% in 2021. However, there are still three issuers in this sub-sector which are still experiencing a decline in net profit, namely PT Darya-Varia Laboratoria Tbk. (DVLA), PT Organon Pharma Indonesia Tbk. (SCPI), and PT Phapros Tbk. (PEHA). In addition, PT Indofarma Tbk. (INAF) also recorded a net loss of IDR 37.58 billion in 2021. In fact, the state-owned pharmaceutical company still posted a net profit of IDR 27.58 billion in the previous year. PT Kalbe Farma Tbk. (KLBF) ranks first in pharmaceutical issuers with the largest revenue acquisition in 2021, namely IDR 26.26 trillion. This amount increased by 13.62% compared to 2020 which amounted to IDR 23.11 trillion. Following behind is PT Kimia Farma Tbk. (KAEF), which earned IDR 12.86 trillion in revenue, up 28.49% (yoy) from the previous IDR 10.01 trillion. Then, PT Tempo Scan Pacific Tbk. (TSPC) recorded revenue of IDR 11.23 trillion, up 2.43% (yoy) from the previous IDR 6.16 trillion. In fourth position is PT Soho Global Health Tbk. (SOHO) which earned Rp 7.08 trillion in revenue. Then, PT Sido Muncul Tbk Herbal Medicine and Pharmaceutical Industries Tbk. (SIDO) earned revenue of IDR 4.02 trillion. PT Indofarma Tbk. (INAF) is in sixth position with revenue of IDR 2.9 trillion. Next is PT Organon Pharma Indonesia Tbk. (SCPI) and PT Darya-Varia Laboratoria Tbk. (DVLA) with revenues of IDR 2.16 trillion and IDR 1.9 trillion respectively. (dataindonesia.id)

Literature Review

Asset Valuation and Quantification

Assets are goods which in the legal sense are called objects consisting of immovable objects and movable objects. The goods in question include immovable property (land and/or buildings) and movable property, both tangible and intangible, which are included in the assets/wealth or assets of a company, business entity, institution or individual. Definition Assets are tangible or intangible assets that have economic, commercial, and exchange value owned by individuals or agencies to help achieve goals.. (Rodionov et al., 2020b)

The Indonesian Association of Accountants (IAI) also defines assets as future economic benefits embodied in assets, which the potential for these assets to contribute, either directly or indirectly, to cash flows and cash equivalents to the company. In line with that, the Financial Accounting Standard Board in 1980 defined assets as economic benefits that may occur in the future obtained or controlled by a particular entity as a result of past transactions or events.

In accounting, the terms measurement and valuation are often not distinguished because of the assumption that accounting uses monetary units to measure the economic meaning (economic attribute) of an object, item, or element. Measurement is usually used in accounting to designate the process of determining the dollar amount to be recorded for an object at the time of acquisition. Valuation is usually used to indicate the process of determining the amount of rupiah that must be attached to each element or post of a financial statement at the time of presentation. The objective of asset valuation is to represent the attributes of asset items that are related to the objectives of the financial statements using an appropriate valuation basis. Meanwhile, the purpose of financial reporting is to provide information that can assist investors and creditors in assessing the amount, timing and uncertainty of net cash flows to business entities. In short, the objectives of asset valuation must be linked to those of financial reporting. (Bianchi et al., 2022)

Liability

Liability is "the sacrifice of future economic benefits that may occur as a result of the present obligations of a business entity from an entity to hand over assets or give to other entities in the future as a result of past transactions or events". There are three characteristics or characteristics attached to debt, namely: (1) Obligations to other parties which may very well be repaid by handing over assets/assets such as cash, merchandise/services on a certain date in the future; (2) The obligations mentioned above will be attached to certain parties/institutions in the future; (3) Transactions or events that give rise to these obligations have occurred in the past. Debt is the obligation of the debtor (borrower) to carry out something to the creditor. (Clausen, 2020)

In accounting as stated by the FASB (Financial Accounting Standards Board / Financial Accounting Standards Board) in the Statement of Financial Accounting Concept No. 6, the definition of debt is: "Future sacrifices of economic benefits that may occur due to the obligations of a business entity in the present from an entity to hand over assets or give to other entities in the future comes as a result of past transactions or events

Liabilities can also be interpreted as debts of a company that arise from transactions in the past and must be paid in cash, goods or services, in the future. The main characteristics of a liability are: 1. It is a present obligation that requires settlement by a possible future transfer or use of cash, goods or services. 2. It is an unavoidable obligation. 3. Other transactions/obligations that create those obligations must occur. (Cioffi & Rinaldi, 2020)

Income

Income is the main goal of establishing a company. As a profit-oriented organization, revenue has a very large role. Revenue is an important factor in the operation of a company, because income will affect the level of profit that is expected to ensure the survival of the company. The Indonesian Institute of Accountants (2019) discloses in the Financial Accounting Standards for Entities Without Public Accountability (SAK ETAP) that revenue is income that arises in carrying out the usual activities of entities and is known by different names such as sales, fees, interest, dividends, royalties and rent.

Income is "an increase or increase in assets and a decrease or decrease in a company's liabilities which are the result of operating activities or the procurement of goods and services to the public or consumers in particular. Revenue is an inflow of assets arising from the delivery of goods/services carried out by a business unit during a certain period. For the company, the income earned from the main operations will add to the value of the company's assets which basically will also increase the company's capital. However, for accounting purposes, additional capital as a result of the delivery of goods or services to other parties is recorded separately in a revenue account". (Wildman, 2021)

Income is an increase in the company's capital due to the sale of the company's products. Inflows of assets or other increases in assets or settlement of liabilities of the entity (or a combination of both) from shippers, rendering of services, or other activities that constitute the entity's primary or central operations. Income is money income received and given to economic subjects based on the achievements submitted, namely in the form of income from a profession carried out alone or individual business and income from wealth. The amount of a person's income depends on the type of work. (Lenhart, 2019)

Income will affect the amount of goods consumed, that is often found with an increase in income, the goods consumed not only increase, but also the quality of these goods becomes a concern. For example, before the addition of income, the rice consumed was of poor quality, but after the increase in income, rice consumption became of a better quality. Income level is one of the criteria for progress or not a region. If the income of a region is relatively low, it can be said that progress and prosperity will also be low. The excess from consumption will then be deposited in a bank whose purpose is to guard against progress in the fields of education, production and so on which also affect the level of public savings. Likewise, only if the income of the people of a region is relatively high, then the level of welfare and progress of the area is also high. (Arndt et al., 2020)

Method

This research is qualitative in nature, namely research that holistically intends to understand the phenomena of what is the subject of research, be it events, perceptions, or actions, and descriptively in the form of words and language, in a special natural context and by utilizing various natural method (Lubis et al., 2022). The approach used is a conceptual approach, and a literature study. Furthermore, the writer also uses literature study which cannot be separated in a study. The theories underlying the problems and areas to be studied can be found by conducting literature studies (Sari et al., 2022). In addition, a researcher can obtain information about similar studies or those related to his research. And the research that has been done before. By conducting a literature study, researchers can take advantage of all the information and thoughts that are relevant to their research. (Purwono, 2018)

Results and Discussion

The main approach in asset valuation

Asset valuation in this study is more focused on tangible assets (fixed assets) in a spatial framework as an illustration. In addition, in order to conform with the objectives of this study and make it easier to understand the valuation approach, besides illustrations in the form of fixed assets there are also illustrations that are applied in other forms. Applicatively, assessment methods or approaches consist of various kinds. It really depends on the conditions, characteristics and objects to be assessed.

However, if examined more deeply, the valuation approach actually only consists of 3 (three) main approaches, which include: (1) Market Data Comparison Approach); (2). Income and Capitalization Approach; (3). Cost Approach. When these three main or main assessment approaches are combined with one another, or combine one with another, a derivative assessment approach will emerge. (Schüler, 2020)

Usually this derived valuation approach is formulated for the purpose of obtaining truly representative values. In other words, using the right method and supported by valid and reliable data, it is hoped that a good value will be obtained, in the sense that it truly represents the true value. Related to the reason for obtaining a representative value, besides the valuation approach there are also other considerations that should not be ignored. What's that? In addition to using the right valuation approach, the Highest and Best Use principle also needs to be the main consideration in carrying out the assessment. It is intended that in addition to obtaining a representative value from an object, it must also be able to reflect the highest and best value.(Almabekova et al., 2018). In pharmaceutical companies, the asset valuation approach still uses the three approaches above, especially in assessing fixed assets in the form of land and buildings and other fixed assets.

Market Data Comparison Approach.

In this method the basic philosophy is that the value of an object, good or service is the result of a comparison or comparison between one item and another that is identical and has similar characteristics. As an illustration, for example, you are comparing 2 people, namely 1 male and 1 female. You want to judge, which one of them is physically better. Can? Of course you can't, because the characteristics are different, so things shouldn't be compared

Income Capitalization Approach

Valuation with the income capitalization approach or often also called the Income Capitalization Method, the basic principle is that an asset's value is the result of a representation of the income earned by that asset. So it's easy, for example, what is the value of a plot of X agricultural land? The answer is the nominal amount that can be produced by the agricultural land on average. Of course, in this technical case, it is not only the amount of income that can be generated by a plot of agricultural land at a certain point in time, but also the capitalization that can be generated based on the prevailing economic conditions. This means that the income earned by a piece of agricultural land must be able to be calculated with the economic capitalization that applies in a certain period of time.

Thus, an asset, including land for example, can be valued if the asset generates income from the business on it. So it's not only agricultural land that can be assessed using this approach, but for example if the land on which there are buildings and used for business activities, it can also be assessed using this approach. Usually assets valued using this approach are assets used for hotels, malls or shopping centers, plantations and others. Because these assets are usually measured by the level of their business based on the pace and fluctuations of the business they run, namely by capitalizing the income they earn in a certain period of time. How to determine the steps in calculating the value of assets with the income capitalization approach

In general, these steps are: a. Calculating the gross income of the business in a certain period. Usually there are companies that generate main income and other income in a business, but there are also companies that only generate main income; b. Calculating the amount of vacancy or vacancy for the business; c. Add up the amount of business results that come from main income, and add other income if any. Then subtract the estimated amount of vacancy that exists. The result of this calculation is called the effective gross income; d. Next, calculate all the amounts of the costs incurred to run the business; e. Reduce the effective gross income that has been obtained by the amount of costs that have been incurred; f. Determine the amount of capitalization that applies in the market for similar assets at that time

Cost Approach

With this cost approach, the valuation of an asset is more likely to lead to assets on which there is a building element. For example, land on which there is a house. When a sale and purchase transaction occurs, it is customary that the agreed value is the combined value of the land value and the value of the building on it. Therefore, to find out how much the value of land is, the value of the building functions as a deduction from the amount of transactions that have occurred, so that the amount of land value is obtained. However, there is a problem that occurs, namely when a building has been built for a long time. The value of the building is of course no longer functioning 100% like when the building was completed, but of course there is a decline or degradation of the quality of the building. Therefore, in valuation using this cost approach, the decline in the quality of the building is a very important determinant so that there is no value bias.

This must be done by measuring the decline in quality or what is commonly called the measurement of depreciation. Not to mention the characteristic types of existing buildings, for example if the existing building is a building whose basic materials are still there, then the reproduction cost is calculated first and then depreciated. If the basic building materials are no longer there, for example a temple, then what is done first is to calculate the cost of replacement, then do or calculate the amount of depreciation.

There are several components that are closely related to valuation using this cost approach, which include the following:

a. Land Value

The value of the land will reflect the true value if in the valuation using this cost approach the appraiser is able to accurately measure the value of the building attached to it. This means that the appraiser must be really careful in determining the depreciation amount of the building value, so that the land value obtained shows a proportional and representative value. Indeed, it is not easy to determine the depreciation of each component that is inherent in a building, for example starting from the main building such as the building frame, as well as those attached such as doors, windows, plinths and so on. Apart from that, it is also possible that the amount of depreciation for each component will vary, bearing in mind that the treatment for each component is also sometimes different. Therefore it is very likely that a value will be good, if the assessment of each of these components is rigid or detailed and measured precisely, so that in the end it will produce a valid land value as well.

a. Reproduction costs and replacement costs

Reproduction costs are easier to determine, because in this method the basic materials of the building to be appraised are still there. This will be different from the cost of replacement which is relatively more difficult, because in this method the basic building materials are no longer available, so the determination of the amount of depreciation must be more careful and thorough. For example, in Yogyakarta, the material is in the form of bricks for the palace walls, which are thick and maybe 5 times the size of ordinary bricks currently on the market.

Types of costs As stated above, this cost approach is an estimate of the value of assets based on or related to existing building elements or attached to other assets, such as land. There are 2 (two) components related to the costs of constructing these assets, both reproduction buildings and replacement buildings. These components are direct costs such as material costs, labor or labor costs and others as well as indirect costs, such as architectural costs, building maintenance costs and others.

b. Depreciation or depreciation

Depreciation is defined as a difference or difference between the cost of building a new building or the cost of replacing a building on the valuation date with the market value of the existing building on the same date or the valuation date. There are several building depreciation in this case, namely the physical depreciation of the building, functional depreciation and economic depreciation. The physical depreciation of the building is measured from the time the building was completed until it is estimated to collapse, taking into account the renovations carried out if any. Functional depreciation is depreciation measured based on the size of the function of several components in the building by looking at functions that are more efficient and efficient today. Economic depreciation focuses more on the economic size of the building components in supporting or obtaining income. The more effective and efficient the building components are to generate income, the smaller the depreciation.

Liabilities

Measurement of Debt The measurement used for debt is the present value of the future cash outflows to settle the obligation. For measurement purposes, debt can be divided into 3 categories as follows: 1) Debt with a Definite Amount The existence of debt and the amount to be paid can be determined with certainty due to contracts, trade agreements or business practices that may occur. Examples: trade payables, notes payable, bonds payable, and bank loans. 2) Debt whose amount must be estimated, for example: the company sells products with a guarantee that if within one year there is damage to the product, the company will replace it free of charge. 3) Conditional Debt is a form of debt but is contingent in nature or depends on certain future events that may occur.

In reporting long-term debt, the balance sheet must be shown

1. the nature of the obligation,
2. Term of obligation,
3. Interest rate,
4. Method of payment,
5. Conversion rights,
6. Loan limit repayment fund requirements
7. Assets pledged as collateral
8. Limits on dividend distribution, and other important matters. The portion of long-term debt that matures next year must be presented as current debt

Debt Policy

The company's debt policy is a policy taken by management in order to obtain funding sources from third parties to finance the company's operational activities. According to Harmono (2017), funding decisions by management will affect company research which is reflected in stock prices. Therefore, one of the tasks of financial management is to determine a funding policy that maximizes the stock price which is a reflection of a company's value. The definition of debt policy is as follows: “Debt policy is a very important decision in the company. Where the debt policy is one part of the company's funding policy. Debt policy is a policy adopted by management in order to obtain financing resources for the company so that it can be used to finance the company's operational activities.”(Akhmadi & Robiyanto, 2020)

The debt policy of pharmaceutical companies in Indonesia, when viewed from the debt to equity ratio, is a ratio to measure a company's ability to pay off its long-term obligations over a certain period. Table 1 shows that the average debt to equity ratio of pharmaceutical companies shows that Indofarma is the largest among other companies, while the Sido Muncul company has the lowest average among all companies, this means that Indofarma companies for the last five years are the most risky for lenders and investors because the company uses loans to encourage the development of the company. In contrast, Sido Muncul has been considered the least risky for the past five years because it has more stable finances compared to other companies.

Table 1. Debt to Equity Ratio of Pharmaceutical Companies

	2017	2018	2019	2020	2021	Average
Indofarma	1,40	1,91	1,90	1,74	2,98	1,99
Kimia Farma	1,03	1,37	1,73	1,48	1,47	1,42
Merck Indonesia	0,28	0,38	1,44	0,52	0,52	0,62

Kalbe Farma	0,22	0,20	0,19	0,21	0,23	0,21
Tempo Scan Pacific	0,42	0,46	0,45	0,45	0,43	0,44
Pyridam Farma	0,58	0,47	0,57	0,53	0,45	0,52
Darya Varia Laboratoria	0,42	0,47	0,40	0,40	0,50	0,44
Sido Muncul	0,08	0,09	0,15	0,15	0,19	0,13
Pharos	0,42	0,68	1,37	1,55	1,59	1,12

Source: Processed Data, 2021

Debt Settlement

Debts or obligations recorded in the financial statements do not have to originate from legal debts or obligations according to law, but debts or obligations arising for certain purposes or for moral or ethical reasons must also be recorded in the company's financial statements. Based on the period of repayment or settlement of the company's debts or obligations, it can be divided into 2, namely short-term (current) debt and long-term (non-current) debt. Debt is considered complete or paid off if a company has carried out its obligation to transfer assets or services to other parties. IAI) states that "settlement of present obligations usually involves the company to sacrifice resources that have future benefits in order to meet the demands of other parties".

Settlement of existing obligations can be done in various ways, for example by: (1) Cash payments; (2) Transfer of assets; (3) Provision of services; (4) Replacement of the obligation with other obligations or, conversion of equity obligations**.**

Income

Income is one of the most important elements of forming a profit and loss statement in a company. Many are confused about the term income. This is because income can be interpreted as revenue and can also be interpreted as income, then income can be interpreted as income and the word revenue is income or profit. Income is very influential for the overall life of the company, the greater the income earned, the greater the company's ability to finance all expenses and activities that will be carried out by the company. In addition, income also affects the company's profit and loss which is presented in the income statement. Therefore, income is the lifeblood of a company. A person's income is influenced by several factors, among others influenced by: (1) The number of factors of production owned which are sourced from; the results of this year's savings and inheritance or gifts; (3) Price per unit of each factor of production, this price is determined by supply and demand in the market for factors of production; (4) The results of the activities of family members as a side job. (Kling et al., 2020)

Income Characteristics

Even though the type of income that each company has is different, from an accounting point of view all of these revenues, starting from the group of income from the sale of finished goods to revenue from the sale of services, have the same characteristics in their recording. The characteristics of income are divided into two characteristics, namely (1) If the balance increases, it must be recorded on the credit side. Each recording on the credit side means that it will add to the income balance; (2) If the balance decreases, it must be recorded on the debit side. Each recording on the debit side means that it will reduce the income balance.

Types of Income

In practice, the components of income reported in the income statement consist of two types, namely: (1) Revenue or income derived from the main business (main business) of the company; (2) Income or income obtained from outside the main business (side business) of the company

Factors Affecting Income

The factors that affect the volume of revenue within the company are as follows: (1) Conditions and ability to sell; (2) Market conditions; Capital; (3) The company's operational conditions.

Source of Income

A person's income must be used to determine the level of welfare because with income a person will be able to fulfill his daily needs, both directly and indirectly. Sources of community income consist of: In the formal sector in the form of salaries and wages that are obtained regularly and in a predetermined amount. In the informal sector, in the form of income that comes from acquisition or additional income such as trade income, craftsmen, laborers, and others. In the subsistence sector, income comes from the results of one's own business in the form of crops, livestock, shipments and gifts from other people. Informal sector income is all income in the form of money or goods received, usually as remuneration from the informal sector. This source of income is in the form of: (1) Income from business, including: net proceeds from own business, commissions and sales; (2) Income from investment; (3) Income from social benefits.

Revenue Recognition

The FASB's conceptual framework suggests two factors that must be considered in deciding when revenues and gains should be recognized in the realization and processing of earnings. Revenue recognition is generally recognized when: (1) Has been realized (realized) or can be realized (realizable); (2) It has been generated through substantial completion of the activities involved in the process of producing it; (3). Revenue is recognized when the revenue-generating company has delivered the promised goods or services (substantial completion) to the customer and when the customer has made a payment or at least promised a definite (realizable) payment to the company.

Revenue of Pharmaceutical Companies in Indonesia

Table 2. Pharmaceutical Company Revenue in terms of Performance
Profitability and Capital Structure

Year	Profitability	Structure Capital
2017	0,1791	0,3653
2018	0,1479	0,3848
2019	0,4354	0,4255
2020	0,1222	0,3995
2021	0,826	0,4072

Based on Table 2, it can be seen that the average profitability of pharmaceutical companies has fluctuated, with the largest growth occurring in 2021, followed by 2019. Meanwhile, the largest decline occurred in 2018. If we look at the growth trend of pharmaceutical companies in Indonesia, it shows that the pharmaceutical industry is growing rapidly during the Covid-19 pandemic due to the high need and demand for medicines.

Conclussion

Based on the discussion above it can be concluded that:

1. Asset valuation and quantification uses three approaches, namely the market data comparison approach, the income capitalization approach and the cost approach. Pharmaceutical companies in Indonesia tend to use these three approaches to assess their assets.
2. The debt policy of pharmaceutical companies in Indonesia when viewed from the Debt to equity ratio shows a fluctuating value where the risk of debt is still high for the company due to the high value of the ratio
3. The income of pharmaceutical companies in Indonesia tends to fluctuate where during the Covid 19 pandemic, pharmaceutical companies experienced significant revenue growth

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