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Analysis of Revenue Recognition and Contract Cost Recognition under PSAK 72: Evidence from PT Wijaya Karya (Persero) Tbk Listed on the Indonesia Stock Exchange

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Abstract

This study aims to analyze the implementation of revenue recognition and construction contract cost recognition under PSAK 72 at PT Wijaya Karya (Persero) Tbk, one of Indonesia's largest state-owned construction companies listed on the Indonesia Stock Exchange. The research evaluates whether the company's accounting practices comply with the principles of PSAK 72 concerning revenue from contracts with customers, particularly in relation to performance obligations and the matching of contract costs with recognized revenue. A qualitative descriptive approach was employed using secondary data collected from annual reports, audited financial statements, and relevant academic literature. Data were analyzed through document analysis by comparing the company's accounting policies with the recognition and measurement requirements stipulated in PSAK 72. The findings indicate that the adoption of PSAK 72 has not significantly altered revenue recognition practices for the company's core construction projects, as revenue continues to be recognized over time using the cost-to-cost percentage-of-completion method, which is consistent with the standard. However, challenges remain in recognizing and classifying construction contract costs, particularly regarding the presentation of contract assets and inventories, indicating potential inconsistencies in applying the matching principle. These findings suggest that formal compliance with PSAK 72 in revenue recognition does not necessarily ensure equivalent compliance in contract cost recognition. This study contributes to the accounting literature by providing empirical evidence on PSAK 72 implementation in Indonesia's construction industry and highlights the importance of strengthening internal controls, cost estimation procedures, and financial reporting quality to improve transparency and decision-making.

Keywords: *PSAK 72; revenue recognition; construction contract costs; construction company; PT Wijaya Karya (Persero) Tbk.*

1. Introduction

Financial statements are one of the most important sources of information for various stakeholders, including investors, creditors, governments, and the public, to understand a company's financial position and performance. The information contained in financial statements serves as a basis for economic decision-making because it reflects the company's financial condition, operating performance, and ability to generate future cash flows. Therefore, financial statements must be prepared in a reliable manner, meet users' information needs, and comply with the applicable Financial Accounting Standards (SAK) to ensure the credibility of the information provided (Kieso et al., 2023). One of the most critical elements of financial statements is revenue. Revenue is commonly regarded as the primary indicator of a company's operating performance because it is directly associated with the entity's ability to generate economic value and profitability. Accurate revenue information enhances the quality of financial reporting, thereby enabling investors and creditors to better assess the company's future prospects. Errors in revenue recognition may distort financial statements and lead to inappropriate economic decisions (Scott, 2015). This perspective is consistent with the Decision Usefulness Theory, which emphasizes that the primary objective of financial reporting is to provide relevant information that facilitates sound economic decision-making by users (Scott, 2015). Furthermore, the Matching Principle states that expenses should be recognized in the same accounting period as the revenues they generate, ensuring that reported earnings fairly represent the company's economic performance (Kieso et al., 2023). From the perspective of Agency Theory, management, acting as the agent, is responsible for presenting reliable financial statements to shareholders as the principals. Consequently, accurate revenue recognition and proper expense matching represent important mechanisms through which management fulfills its accountability while reducing information asymmetry between the company and investors (Jensen & Meckling, 1976).

Revenue recognition becomes considerably more complex in construction service companies due to the long-term nature of construction contracts, which involve cost estimations, contract modifications (variation orders), and uncertainties regarding project completion schedules. These characteristics require companies to determine the appropriate timing for recognizing both revenue and contract costs so that financial statements faithfully represent the underlying economic reality. Inappropriate timing of revenue recognition may affect reported earnings, contract assets, contract liabilities, and the overall quality of financial information presented in the financial statements (Van Wyk & Coetsee, 2020).

To improve the quality of financial reporting, the Financial Accounting Standards Board of the Indonesian Institute of Accountants (DSAK IAI) adopted International Financial Reporting Standard (IFRS) 15 *Revenue from Contracts with Customers* into PSAK 72 *Revenue from Contracts with Customers*, which became effective on January 1, 2020. PSAK 72 replaced PSAK 23 on Revenue and PSAK 34 on Construction Contracts. Unlike the previous standards, PSAK 72 adopts a principles-based approach consisting of a five-step revenue recognition model: identifying the contract, identifying performance obligations, determining the transaction price, allocating the transaction price to each performance obligation, and recognizing revenue when the performance obligation is satisfied (Ikatan Akuntan Indonesia, 2017).

The implementation of PSAK 72 has significantly affected construction service companies. Revenue recognition is no longer solely based on the percentage-of-completion method as prescribed under PSAK 34 but instead must consider the transfer of control to customers. In addition, companies are required to provide more comprehensive disclosures regarding customer contracts, contract assets, contract liabilities, and the significant judgments applied in determining the timing of revenue recognition (Yulistini et al., 2024). Consequently, the implementation of PSAK 72 is expected to enhance the transparency, consistency, and comparability of financial reporting across companies.

The construction services sector plays a strategic role in supporting infrastructure development in Indonesia. Construction companies listed on the Indonesia Stock Exchange (IDX) are responsible for executing large-scale projects that generally require extended completion periods. One of these companies is PT Wijaya Karya (Persero) Tbk (WIKA), a state-owned enterprise engaged in construction and investment activities. According to the 2024 Annual Report of PT Wijaya Karya (Persero) Tbk, the company manages a wide range of infrastructure projects, including toll roads, ports, commercial buildings, industrial estates, power plants, and Engineering, Procurement, and Construction (EPC) projects, with contract values reaching tens of trillions of Indonesian Rupiah. The substantial contract values and the complexity of these projects make the recognition of revenue and contract costs a crucial aspect of the company's financial reporting process (PT Wijaya Karya (Persero) Tbk, 2024).

Previous studies investigating the implementation of PSAK 72 have produced inconsistent findings. Yulistini et al. (2024) concluded that the adoption of PSAK 72 improved the quality of revenue disclosures and enhanced the transparency of financial reporting in construction companies. In contrast, Imanuddin et al. (2023) found that the implementation of PSAK 72 had not significantly altered revenue recognition practices or financial performance among several infrastructure companies listed on the Indonesia Stock Exchange. Meanwhile, Van Wyk and Coetsee (2020) argued that the primary challenges associated with implementing IFRS 15 in the construction industry involve identifying performance obligations, estimating transaction prices, and exercising professional judgment in determining the appropriate timing of revenue recognition.

These inconsistent findings indicate that the implementation of PSAK 72 in construction service companies has not yet reached a consensus. Some studies suggest that PSAK 72 does not substantially alter revenue recognition practices because companies had previously applied the percentage-of-completion method, which is generally consistent with the principle of recognizing revenue over time. Conversely, other studies report significant changes, particularly regarding disclosure requirements, the recognition of contract assets and contract liabilities, and the application of professional judgment in identifying performance obligations. Furthermore, most previous research has primarily examined the impact of PSAK 72 on revenue recognition or overall financial performance. Studies specifically focusing on adjustments to both revenue recognition and contract cost recognition under PSAK 72 in PT Wijaya Karya (Persero) Tbk remain relatively limited.

Based on these considerations, this study aims to analyze the recognition of revenue and construction contract costs in accordance with PSAK 72 at PT Wijaya Karya (Persero) Tbk, one of the largest construction service companies listed on the Indonesia Stock Exchange. This research is expected to provide a comprehensive understanding of the extent to which PSAK 72 has been implemented within the company and to contribute to the advancement of accounting knowledge, particularly in relation to revenue recognition and contract cost recognition in construction contracts.

2. Research Methods

2.1 Research Design

This study employed a qualitative research approach using a descriptive case study design. A qualitative approach was considered appropriate because the objective of the study was not to test hypotheses but to obtain an in-depth understanding of how revenue recognition and construction contract cost recognition are implemented under PSAK 72 at PT Wijaya Karya (Persero) Tbk. The case study approach enabled the researchers to comprehensively examine the company's accounting policies and practices within their real organizational context (Creswell & Creswell, 2018).

2.2 Research Object

The object of this research was PT Wijaya Karya (Persero) Tbk (WIKA), one of Indonesia's largest state-owned construction companies listed on the Indonesia Stock Exchange (IDX). The company was purposively selected because it has implemented PSAK 72 in preparing its financial statements and manages numerous long-term construction contracts involving substantial contract values and complex project characteristics. These conditions provide an appropriate setting for evaluating the application of revenue recognition and contract cost recognition under PSAK 72.

2.3 Data Sources

This study relied exclusively on secondary data obtained from publicly accessible sources. The primary data sources included:

1. Annual Reports and audited consolidated financial statements of PT Wijaya Karya (Persero) Tbk.;
2. PSAK 72 *Revenue from Contracts with Customers* issued by the Indonesian Institute of Accountants (IAI);
3. IFRS 15 *Revenue from Contracts with Customers* as an international reference;
4. Previous empirical studies published in reputable national and international journals; and
5. Supporting literature related to construction accounting, revenue recognition, and contract cost accounting.

The use of secondary data was considered appropriate because the research focused on evaluating accounting policy implementation rather than measuring organizational behavior.

2.4 Data Collection Technique

Data were collected through document analysis. Relevant documents were identified using purposive selection based on predefined inclusion criteria, including publications discussing PSAK 72, IFRS 15, construction contracts, revenue recognition, and construction contract cost recognition published between 2018 and 2025. The collected documents were systematically reviewed to identify accounting treatments applied by PT Wijaya Karya (Persero) Tbk and to compare them with the requirements stipulated in PSAK 72.

2.5 Data Analysis Technique

The study employed qualitative content analysis following the interactive model proposed by Miles, Huberman, and Saldaña (2014). The analysis consisted of four stages:

1. Data Collection, involving the compilation of annual reports, financial statements, accounting standards, and supporting literature;
2. Data Condensation, where relevant information related to revenue recognition, performance obligations, contract assets, contract liabilities, and construction contract costs was selected and classified;
3. Data Display, presenting the findings in thematic matrices based on the five-step revenue recognition model under PSAK 72 and the matching principle for contract cost recognition; and
4. Conclusion Drawing and Verification, comparing the company's accounting practices with PSAK 72 requirements and previous empirical findings to evaluate the level of compliance and identify potential implementation challenges.

2.6 Trustworthiness of the Research

To enhance the credibility and reliability of the findings, this study applied source triangulation by comparing information obtained from multiple documentary sources, including annual reports, audited financial statements, accounting standards, and previous academic studies. In addition, theoretical triangulation was employed by interpreting the findings using Agency Theory, Decision Usefulness Theory, and the Matching Principle. These procedures strengthened the validity of the conclusions regarding the implementation of PSAK 72 in PT Wijaya Karya (Persero) Tbk.

3. Results and Discussion

3.1 Revenue Recognition under PSAK 72

The document analysis indicates that PT Wijaya Karya (Persero) Tbk recognizes revenue from construction contracts **over time**, reflecting the transfer of control throughout project execution rather than at project completion. The company's accounting policy measures project progress using the **cost-to-cost input method**, whereby the proportion of actual costs incurred is compared with the estimated total contract costs to determine the percentage of completion. This approach is consistent with Paragraph 39 of PSAK 72, which permits revenue recognition over time when customers simultaneously receive and consume the benefits provided by the entity's performance. The findings demonstrate that the adoption of PSAK 72 did not fundamentally alter WIKA's revenue recognition method for its core construction contracts. Before the implementation of PSAK 72, the company had already applied the percentage-of-completion approach under PSAK 34. Consequently, the transition to PSAK 72 primarily represented a conceptual refinement from recognizing revenue based on project completion percentages toward recognizing revenue based on the transfer of control. In practice, however, both approaches generate relatively similar revenue recognition patterns for long-term construction contracts.

From the perspective of **Decision Usefulness Theory**, this accounting treatment improves the relevance of financial reporting because revenue is recognized in accordance with the actual progress of construction activities. Rather than postponing revenue recognition until project completion, the company provides financial statement users with timely information regarding operating performance throughout the contract period. This enhances investors' and creditors' ability to evaluate project profitability, future cash flows, and the company's operational efficiency. Furthermore, the findings support the principles of **Agency Theory**, which emphasize management's responsibility to reduce information asymmetry between corporate managers and shareholders. Continuous recognition of revenue based on project progress provides stakeholders with more transparent information regarding contract execution, thereby reducing managerial discretion in delaying or accelerating revenue recognition.

Nevertheless, implementing PSAK 72 requires more comprehensive professional judgment than the previous accounting standard. Although the cost-to-cost approach remains applicable, management must continuously evaluate whether contractual performance obligations continue to be satisfied over time, particularly when contract modifications, variation orders, or significant design changes occur during project execution. Consequently, revenue recognition under PSAK 72 depends not only on project completion percentages but also on management's ability to evaluate contractual rights and obligations objectively. These findings are consistent with Adella et al. (2021), who reported that PSAK 72 has relatively little impact on revenue recognition in construction companies because the percentage-of-completion method under PSAK 34 already reflected revenue recognition over time. Similarly, Yulistini et al. (2024) concluded that the primary contribution of PSAK 72 lies in improving disclosure quality and strengthening the conceptual basis for revenue recognition rather than fundamentally changing measurement practices. However, the present study extends previous findings by demonstrating that although revenue measurement remains largely unchanged, the implementation of PSAK 72 requires substantially greater documentation of performance obligations, contract modifications, transaction prices, and judgments related to the transfer of control.

Overall, the findings suggest that PT Wijaya Karya (Persero) Tbk has achieved a relatively high level of compliance with PSAK 72 regarding revenue recognition. The company's accounting policy reflects both the economic substance of long-term construction contracts and the principle of faithful representation emphasized in international financial reporting standards. However, maintaining this level of compliance requires continuous reassessment of contract estimates and internal control systems to ensure that recognized revenue faithfully represents actual project performance throughout the contract lifecycle.

3.2 Analysis of Performance Obligations and Transfer of Control

One of the most significant conceptual changes introduced by PSAK 72 is the shift from a risk-and-reward approach toward a control-based approach in determining when revenue should be recognized. Accordingly, the analysis focused on whether PT Wijaya Karya (Persero) Tbk fulfills the five-step revenue recognition model, particularly in identifying performance obligations and evaluating the transfer of control throughout construction projects. The analysis indicates that the company's construction contracts generally involve integrated engineering, procurement, and construction (EPC) services that collectively constitute a single performance obligation. Since customers receive the economic benefits of construction activities continuously as the projects progress, revenue recognition throughout the contract period appropriately reflects the substance of contractual performance.

Moreover, WIKA's accounting policies demonstrate that project progress is continuously monitored using engineering reports, cost realization reports, and project completion assessments. These procedures enable management to estimate the percentage of completion with reasonable reliability while supporting the recognition of contract assets and contract liabilities whenever performance and billing schedules differ. Such practices are consistent with PSAK 72's objective of presenting financial information that faithfully represents the entity's contractual rights and obligations. However, the findings also reveal that professional judgment plays a critical role in determining whether contract modifications represent separate contracts or adjustments to existing contracts. Construction projects frequently experience scope changes, variation orders, and renegotiated contract values due to engineering requirements or client requests. Under PSAK 72, these contractual changes require continuous reassessment because they may alter transaction prices, performance obligations, and the timing of revenue recognition. Consequently, effective implementation of PSAK 72 depends not only on technical accounting knowledge but also on robust project management systems capable of producing reliable cost estimates and contract documentation.

The results therefore indicate that compliance with PSAK 72 extends beyond applying the cost-to-cost method. Instead, successful implementation requires an integrated accounting framework combining contract management, engineering information, budgeting systems, and financial reporting. Such integration enhances financial reporting transparency while reducing the risk of earnings management arising from subjective estimates of project completion.

2.3 Construction Contract Cost Recognition under PSAK 72

Besides introducing a comprehensive framework for revenue recognition, PSAK 72 also establishes accounting requirements for costs incurred to obtain and fulfill customer contracts. These requirements are intended to ensure that contract-related expenditures are recognized in a manner consistent with revenue recognition, thereby supporting the application of the matching principle and enhancing the faithful representation of financial performance. The analysis of PT Wijaya Karya (Persero) Tbk's financial reporting indicates that construction contract costs primarily consist of direct materials, direct labor, subcontracting expenses, equipment utilization, engineering services, project supervision, and other project-specific expenditures. These costs are recognized systematically according to the progress of construction activities, reflecting the company's application of the cost-to-cost method in measuring project completion. Consequently, contract costs are recognized in the same reporting period as the corresponding contract revenue, allowing the financial statements to portray project profitability more accurately.

The company's accounting practices generally comply with the matching principle because expenses are recognized in relation to the economic benefits generated during each reporting period. Such an approach reduces the possibility of overstating or understating periodic earnings and enables financial statement users to evaluate operational performance more objectively. In long-term construction contracts, simultaneous recognition of revenue and contract costs is particularly important because project execution often spans several accounting periods. Nevertheless, the findings reveal that construction contract cost recognition involves substantial estimation uncertainty. Total contract costs cannot always be determined with certainty at the beginning of a project because construction activities are highly susceptible to changes in material prices, labor costs, project specifications, environmental conditions, and client-requested contract modifications. These uncertainties require management to continuously revise estimated total contract costs throughout the project lifecycle.

The importance of accurate cost estimation becomes increasingly evident because the cost-to-cost approach relies directly on the relationship between actual costs incurred and estimated total contract costs. Any material revision in estimated costs will automatically affect the percentage of project completion, which subsequently influences the amount of revenue recognized during the reporting period. Consequently, inaccurate cost estimation may not only distort expense recognition but also lead to inappropriate revenue recognition under PSAK 72. Another important finding concerns the accounting treatment of costs incurred to fulfill contracts. PSAK 72 requires entities to capitalize certain fulfillment costs when these costs generate resources that will be used in satisfying future performance obligations and are expected to be recoverable. In practice, however, distinguishing between immediately expensed operating costs and capitalized contract fulfillment costs requires considerable professional judgment. This issue becomes particularly relevant for construction companies undertaking multiple large-scale infrastructure projects simultaneously, where indirect costs may support several contracts at once.

From the perspective of Agency Theory, accurate contract cost recognition reduces opportunities for earnings management arising from discretionary cost allocations. Because project profitability depends heavily on estimated contract costs, management may have incentives to manipulate cost estimates to influence reported earnings. The application of PSAK 72 therefore requires robust internal controls, independent project evaluations, and continuous monitoring of project budgets to minimize estimation bias and strengthen the credibility of financial reporting. These findings are consistent with Ayu and Mariadi (2024), who reported that the implementation of PSAK 72 presents greater challenges in contract cost allocation than in revenue recognition itself. Likewise, Van Wyk and Coetsee (2020) emphasized that the most significant implementation challenges of IFRS 15 in the construction industry arise from estimating transaction prices and contract costs rather than determining the overall revenue recognition approach. The present findings reinforce this argument by demonstrating that successful implementation of PSAK 72 depends largely on the quality of project cost estimation rather than solely on compliance with formal accounting standards. Overall, PT Wijaya Karya (Persero) Tbk has implemented construction contract cost recognition in a manner broadly consistent with PSAK 72. However, continuous improvements in project budgeting systems, cost estimation procedures, and project monitoring remain essential to ensure that recognized contract costs accurately reflect the economic resources consumed throughout project execution.

3.4 Integrated Discussion: Revenue Recognition, Contract Cost Recognition, and Financial Reporting Quality

The findings demonstrate that the implementation of PSAK 72 extends beyond changes in accounting procedures and contributes to improving the overall quality of financial reporting. Although the transition from PSAK 34 to PSAK 72 did not substantially modify the company's measurement technique for long-term construction contracts, it significantly strengthened the conceptual foundation underlying revenue recognition. The adoption of a control-based approach requires management to evaluate contractual rights and obligations more comprehensively than under previous standards. Consequently, financial reporting becomes more closely aligned with the economic substance of contractual arrangements rather than merely reflecting legal ownership or physical project completion. This principle is particularly relevant for construction companies because customers generally obtain economic benefits throughout the construction process rather than only after project completion.

From the perspective of Decision Usefulness Theory, the implementation of PSAK 72 enhances the relevance and reliability of accounting information by providing stakeholders with timely information regarding project performance. Investors, creditors, and regulators are able to assess financial performance more accurately because reported revenues reflect actual progress in satisfying contractual obligations rather than arbitrary billing schedules or project milestones. Furthermore, the study demonstrates that revenue recognition and contract cost recognition cannot be evaluated independently. The quality of reported earnings depends on the consistency between these two accounting processes. Even when revenue recognition fully complies with PSAK 72, inappropriate cost allocation may still produce misleading measures of project profitability. Therefore, successful implementation of PSAK 72 requires an integrated accounting system capable of simultaneously managing contract documentation, project budgeting, cost estimation, engineering reports, and financial reporting.

The findings also highlight the importance of professional judgment in construction accounting. Unlike manufacturing companies producing standardized products, construction companies operate under highly customized contractual arrangements characterized by uncertainty, contract modifications, and changing project conditions. Consequently, accounting standards alone cannot eliminate estimation risk. Instead, accounting quality depends on management's competence in applying professional judgment while maintaining objectivity and compliance with applicable financial reporting standards. These findings partially explain the inconsistent conclusions reported in previous empirical studies. Research emphasizing revenue recognition often concludes that PSAK 72 has relatively limited effects because construction companies previously applied percentage-of-completion accounting under PSAK 34. However, studies focusing on disclosure quality, contract assets, contract liabilities, and estimation processes report more substantial implementation effects. The present study reconciles these differing perspectives by demonstrating that although measurement methods remain relatively stable, PSAK 72 significantly expands documentation requirements, disclosure obligations, and professional judgment in construction accounting. Consequently, the contribution of PSAK 72 should not be evaluated solely by examining changes in reported revenue figures. Instead, its primary contribution lies in strengthening financial reporting transparency, improving comparability across companies, enhancing accountability, and encouraging more disciplined contract management practices throughout the construction industry.

4. Conclusion

4.1 Conclusion

This study aimed to analyze the implementation of revenue recognition and construction contract cost recognition under PSAK 72 at PT Wijaya Karya (Persero) Tbk. The findings indicate that the company's revenue recognition practices are generally consistent with the principles established by PSAK 72. Revenue is recognized over time using the cost-to-cost input method, reflecting the gradual transfer of control throughout project execution. This accounting treatment appropriately represents the economic substance of long-term construction contracts and provides relevant information regarding project performance during each reporting period. The study also demonstrates that the implementation of PSAK 72 extends beyond revenue recognition by requiring greater attention to the recognition and allocation of construction contract costs. Although PT Wijaya Karya (Persero) Tbk generally applies the matching principle by recognizing contract costs consistently with recognized revenue, the reliability of financial reporting remains highly dependent on the accuracy of contract cost estimation, continuous project monitoring, and timely evaluation of contract modifications. Consequently, the quality of financial reporting is influenced not only by compliance with accounting standards but also by the effectiveness of project management and internal control systems. Overall, the findings suggest that PSAK 72 has strengthened the conceptual framework of financial reporting within the construction industry by emphasizing performance obligations, transfer of control, and enhanced disclosure requirements. While the adoption of PSAK 72 has not substantially changed the company's revenue measurement method, it has improved accounting transparency, strengthened financial reporting accountability, and enhanced the comparability of financial statements across construction companies.

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5.2 Practical Implications

This study contributes to the accounting literature in several ways. First, it provides empirical evidence supporting the application of Decision Usefulness Theory, demonstrating that revenue recognition based on the satisfaction of performance obligations produces more relevant financial information for economic decision-making. Second, the study reinforces the importance of the Matching Principle by showing that accurate contract cost recognition is equally important in ensuring reliable financial reporting. The findings indicate that revenue recognition and contract cost recognition should be considered complementary accounting processes rather than separate reporting activities. Third, the study extends the application of Agency Theory in construction accounting by illustrating how the enhanced disclosure requirements of PSAK 72 reduce information asymmetry between management and stakeholders. The research therefore contributes to a broader understanding of how accounting standards improve corporate transparency and accountability beyond merely changing accounting measurements.

5.3 Theoretical Contributions

The findings provide several practical implications for construction companies and accounting practitioners. Construction companies should strengthen project budgeting systems, cost estimation procedures, and contract monitoring mechanisms to ensure consistent implementation of PSAK 72. Regular reassessment of project costs and contract modifications is necessary to improve the reliability of revenue recognition throughout project execution. Furthermore, accounting information systems should be integrated with project management systems to facilitate accurate measurement of project progress, contract assets, and contract liabilities. Such integration would improve the quality of financial reporting while reducing the risk of estimation errors associated with long-term construction contracts. For regulators and standard setters, the findings indicate the need for more industry-specific implementation guidance concerning contract modifications, fulfillment costs, and professional judgment in applying PSAK 72. Additional guidance may improve consistency in accounting practices across construction companies operating under complex contractual environments.

5.4 Limitations

This study has several limitations. First, the analysis was conducted using a single case study of PT Wijaya Karya (Persero) Tbk, which may limit the generalizability of the findings to other construction companies with different operational characteristics. Second, the study relied exclusively on secondary data obtained from annual reports, audited financial statements, and publicly available documents. Consequently, the analysis could not capture internal managerial considerations or decision-making processes related to revenue recognition and contract cost estimation. Third, the research focused primarily on compliance with PSAK 72 and did not quantitatively evaluate the financial impact of its implementation on profitability, earnings quality, or firm value.

5.5 Future Community Service Directions

Future studies may extend this research by examining multiple construction companies listed on the Indonesia Stock Exchange to provide broader comparative evidence regarding the implementation of PSAK 72 across the industry. Comparative analyses between state-owned enterprises and privately owned construction companies may also reveal differences in accounting practices and financial reporting quality. Further research is encouraged to employ quantitative approaches to investigate the impact of PSAK 72 on earnings quality, financial performance, market valuation, audit quality, or investor decision-making. Additionally, mixed-method studies incorporating interviews with accountants, auditors, and project managers would provide deeper insights into the practical challenges associated with implementing PSAK 72 in large-scale construction projects.

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