

## **Abstracts**

The purpose of this paper is to investigate creative accounting practice that has widespread and examine the recent accounting scandal of Tesco Plc to obtain further understanding the motives of the practice and also determine whether the negative effect of the scandal to Tesco profitability, credibility, and image will occur for long period of time.

In the first part of the paper, creative accounting theories and the development of accounting regulations and the role of auditors are presented. The practice has already started since long time ago and the reasons of adopting the practice were vary. Accounting regulations and role of auditor have been improved, but loopholes in the rules were inevitable.

The second part, Tesco accounting scandal case were presented and explained in details. Impact of adopting creative accounting was determined and examined whether it would affect company financial performance, creditability, and image for long period.

It was concluded that creative accounting might give advantages for Tesco in reaching short-term goal but the impacts were long lasting and affect the financial performance after the scandal. This paper hopes to give further information about creative accounting practice in company and academic contribution.

## Abstracts (Bahasa Indonesia)

Karya tulis ini bertujuan untuk menyelidiki tentang praktik akuntansi kreatif yang kini marak di publik, terutama skandal akuntansi yang terjadi di Tesco Plc untuk mengetahui lebih lanjut tentang motif dari praktik dan efek pada profitabilitas, kredibilitas, dan citra perusahaan untuk jangka waktu panjang.

Pada bagian pertama, akan dijelaskan tentang teori *creative accounting* dan perkembangan dari aturan-aturan akuntansi dan peranan auditor. Praktik *creative accounting* ini telah dilakukan sejak lama dan alasan untuk penerapannya cukup beragam. Walaupun standar akuntansi dan peranan auditor telah jauh lebih berkembang sekarang, tetapi celah dalam peraturan tidak dapat dihindari.

Pada bagian kedua, kasus skandal akuntansi Tesco Plc disajikan serta dijelaskan secara rinci. Selain itu, dampak dari penerapan metode *creative accounting* dijelaskan apakah akan mempengaruhi performa finansial, kredibilitas, dan citra perusahaan pada jangka waktu yang panjang.

Dari hasil penelitian dapat disimpulkan bahwa *creative accounting* memang dapat memberikan keuntungan untuk mencapai tujuan jangka pendek bagi Tesco Plc tetapi dampak dari praktik tersebut cukup bertahan lama dan mempengaruhi performa finansial pasca skandal terjadi. Dari penulisan makalah ini diharapkan dapat memberikan berupa informasi lebih lanjut tentang *praktik creative accounting* di perusahaan serta kontribusi akademik.