

ABSTRACT

Globalization in the economic field has resulted in controlled free competition, which means competition under WTO (World Trade Organization) regulations, including in telecommunications sector. One of the ways that a company can do to fill the capital needs is by offering shares to public (go public). Earnings response coefficient as a way to identifying and describing the different market reactions to earnings information. Variables that influence market reactions to earnings response coefficient come from the external and internal environment. Variables that come from internal are liquidity ratio, leverage ratio, profitability ratio, growth opportunities and firm size.

The purpose of this study is to determine the development of liquidity ratio, leverage ratio, activity ratio, profitability ratio, growth opportunities, and firm size. In addition, this study also examines effect each variable of liquidity ratio, leverage ratio, activity ratio, profitability ratio, growth opportunities, and firm size of the earnings response coefficient either simultaneously or partially.

This study used quantitative methods and descriptive verification research. Population in this study are telecommunication companies listed on the Indonesia Stock Exchange (IDX) in 2011-2017. Sampling technique used purposive sampling method, so that 4 telecommunication companies were obtained that met the criteria. Data analysis techniques performed by the panel data regression analysis using a common effect model, and hypotheses were tested using the F test and t test with a significance of 5%.

The results show simultaneously variable liquidity ratio, leverage ratio, profitability ratio, growth opportunities and firm size have significant effect on earning response coefficient with a probability value of 0.00001. The result of coefficient determination shows that dependent variable can be explained by independent variables of 81,84%. Partially, liquidity ratio, growth opportunities, and firm size have significant effect on earning response coefficient with a probability value of each variable is liquidity ratio 0,0119, growth opportunities 0,0019, and firm size 0.0001. While variable leverage ratio and profitability ratio didn't have significant effect on earning response coefficient with a probability value of each variable is leverage ratio 0,4228 and profitability ratio 0,1952.

Kata Kunci: *liquidity ratio, leverage ratio, activity ratio, profitability ratio, growth opportunities, firm size, earning response coefficient*