

ABSTRACT

An efficient market is formed from a market where the price of the security is in accordance with the information in circulation. Disclosure of information needs to be done because the patterns in the capital market move randomly or are called random walks so that market price movements that are in accordance with circulating information can form an efficient market. This study aims to determine the effect of the dimensions of accounting information disclosure on investors' reactions to abnormal returns as a control variable either simultaneously or partially.

In this study, the calculation of variables used abnormal returns. Expected return is measured by geometric mean. The dimensions of disclosure are divided into 4 sub dimensions.

The population in this study are financial sector companies listed on the Indonesia Stock Exchange for the period 2016-2019. The sample selection was determined by the purposive sampling method, and the number of samples obtained was 71 samples. The calculation of abnormal return uses a 5-day time window. The analysis used in this research is event study and regression analysis.

The results of this study indicate that the independent variables simultaneously affect the abnormal return. Partially, the sub-dimension of the coverage of corporate governance information and the sub-dimension of the type of measurement of corporate governance information have a significant negative effect, for the time orientation sub-dimension in the discussion of company performance information has a significant positive effect.

Based on the results of the study, further researchers are recommended to increase the research population that is thought to affect abnormal returns. Companies and investors are expected to pay attention to the sub-dimensional variables of corporate governance information coverage, the sub-dimension of the type of corporate governance information measurement, and the time orientation sub-dimension in the discussion of company performance information, because the results of this study indicate that these five variables have an influence on abnormal returns.

Keywords: Abnormal Return, Dimensions of Accounting Information Disclosure, Investor Reactions.