ABSTRACT

The rationale of the Earning Response Coefficient (ERC) is that investors have a calculation of earnings expectation well before the report is issued so that investors will have more information in analyzing periodic earnings figures. ERC is one measure used to measure the relationship between earnings and changes in stock prices and calculation of investor stock returns. The purpose of this study is to determine the size of the stock price of earnings information seen from other factors that affect the ERC is not just corporate profits.

The research method used is descriptive quantitative method with purposive sampling technique. The sample in this research is consumer goods industry as many as 21 companies in the period of 2014-2016. In that year the overall profit of the company continued to increase but not followed by changes in stock prices. This shows that the market response to profit information is not only based on the company's profit figures but there are other factors that can determine the relationship between corporate profits with stock returns.

The results of this study indicate that simultaneously there is influence between ERC factors with ERC both before and after influenced by moderation variable. However this does not apply partially and the effect of moderating variables.

Keywords : ERC, capital structure, KAP reputation, growth opportunity, profitability, firm size, risk systematic, earning persistence, volatility stock, and unexpected earning.