

ABSTRACT

Market reaction is a response from capital market activity. Changes in prices of the securities of the concerned company can be seen from market reaction. An increasing in the price of a security can be seen from reaction, whereas when the price of a security has decreased it can be seen from the loss reaction, the higher the risk of an investment, the higher the profit obtained by an investor and vice versa.

The objective of this research is to examine whether income smoothing, corporate social responsibility disclosure, and activity ratio take effects in market reaction at mining company that registered in Bursa Efek Indonesia during 2013 until 2018. This research used the data from annual report with the same period.

The population of this research is mining company that registered in Bursa Efek Indonesia in 2013-2018. The technique for sample selection for this research is using purposive sampling with the result 48 sample from 8 mining company. Analysis method for this research is panel data regression analysis using Eviews 10.

The final result of this research indicate that income smoothing, corporate social responsibility disclosure, and activity ratio take effects in market reaction simultaneously. Activity ratio has positive effect toward market reaction partially meanwhile income smoothing, and corporate social responsibility has no effect toward market reaction.

Based on this research result, further researchers are expected to use another type of sector by adding another independent variable which is not used in this research along with another proxy that might affect market reaction.

Keywords: *Market Reaction, Income Smoothing, Corporate Social Responsibility Disclosure, Activity Ratio*