ABSTRACT

In market capital, bid and ask are influenced by the amount of information received by investors. The difference in the information received causes adverse selection. The existence of adverse selection encourages brokers to increase spreads resulting in information asymmetry. The difference between the bid price and the ask price shows the level of the bid-ask spread. This study aims to determine the determinants of information asymmetry suspected of being public ownership, non-executive directors, financial risk, CEO duality, and gender diversity.

The population used in this study are companies listed on the Jakarta Islamic Index 70 (JII70) on the Indonesia Stock Exchange for the 2018-2021 period. With purposive sampling, a sample of 120 observational data was obtained consisting of 30 companies. This study uses panel data regression analysis techniques with the software used, namely STATA 17.

The results of risk research show that public ownership, non-executive directorship, finance, CEO duality, and gender diversity are simultaneously determinants of information asymmetry. While partially only public ownership as a positive determinant and a negative financial risk determinant of information asymmetry.

The novelty of this research is public ownership as a positive determinant of information asymmetry, this is also a novelty for the JII70 sector on the IDX. Recommendations for further research are to study again the variables that determine asymmetry information in this study and explore the factors that are suspected as information asymmetry determinants.

Keywords: information asymmetry, public ownership, non-executive directors, financial risk, CEO duality, gender diversity.