ABSTRACT

DISCLOSURE ANALYSIS MANAGEMENT'S DISCUSSION AND ANALYSIS OF MARKET REACTION
(Empirical Study At Company Listed in Indonesia Stock Exchange)

By

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This research generally aims to provide empirical evidence on investor reaction to the disclosure of Management's Discussion and Analysis on the companies listed on the Indonesia Stock Exchange period 2011-2013. The motivation of this study is no study in Indonesia concerning the presentation of the MD & A affect investors' decision to invest in an enterprise, which is illustrated by the market reaction to stock returns and trading volume activity (TVA).

Operational variables in this study is that the market reaction is proxied by stock returns and trading volume activity (TVA). The data in this research is secondary data obtained from the Annual Report of listed companies in Indonesia Stock Exchange (BEI), the data Corporate Governance Perception Index (CGPI) survey The Indonesian Institute of Corporate Governance (IICG) 2012-2014, the list of Historical Prices Yahoo Finance periods 2012-2014 and 2012-2014 SWA Magazine. There are 827 samples in this study with 2011-2013. Then, hypothesis testing is done by using multiple linear regression and non-parametric partial correlation test.

The results showed that the first hypothesis stated unsupported because there is a significant positive relationship MD & A disclosures on stock returns, and otherwise supported the second hypothesis is that there is a significant positive effect disclosure of the MD & A of the trading volume activity (TVA). This study also uses additional analysis is the analysis of paired sample t-test to find out the differences before and after the stock price and trading volume activity (TVA) 5-day window period in companies listed on the Stock Exchange 2011-2013. The contribution of this study is expected to encourage companies to provide MD & A in full and open so as to attract investors to invest in the company that can be seen from the rise in stock prices and trading volumes are high. With increasing market response, the company's value (the value of the firm) will increase.

Keywords: Management's Discussion and Analysis (MD & A), Market Reaction, Stock Return, Trading Volume Activity (TVA).