

ABSTRACT

**CORPORATE SOCIAL RESPONSIBILITY DISCLOSURE AND THE
ALLOCATION OF ENVIRONMENTAL COST TO FINANCIAL
PERFORMANCE AND MARKET PERFORMANCE**
(Study on Manufacturing Company that Listing on Indonesian Stock Exchange in
2011-2013)

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Corporate social responsibility is the activity of company to reach a balance between aspect of economic, environment and social without override the shareholder's expectation in generates profit. The fact shows that there are still a lot of environmental damage done by small enterprises until the big one. Now they have been pushed to minimize the environmental damage that caused by the operational's activity of company. The purpose of this research is to examine the effect of corporate social responsibility disclosure and the allocation of environmental cost to financial performance and market performance.

The method in this research is purposive sampling method and the samples are 192 companies as the item of observations that were taken from annual reports listed on the Indonesia Stock Exchange in 2011-2013. This research found that corporate social responsibility disclosure and the allocation of environmental cost have effect positively to return on equity (ROE) as measure of financial performance and to cumulative abnormal return (CAR) as measure of market performance.

Keywords: Corporate Social Responsibility Disclosure, Environmental Cost, Return on Equity, Cumulative Abnormal Return