

ABSTRACT

MARKET REACTION ON THE CONTENT OF INFORMATION TAXABLE PROFIT COMPANY WITH A TAX PLANNING: THE CAPITAL MARKET EFFICIENCY STUDY INDONESIA

by:

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Capital market participants need information to make investment decisions. The information required of them in the published financial statements. If the financial statements are useful, then the components are presented in the financial statements have information content to be reacted by market participants. Profit is one of the important factors in assessing the performance and as one of the bases for investors in assessment income in the future.

The aim of this study were: to analyze the difference between the market reaction to corporate tax planning and companies that do not do tax planning

This research was conducted in the Indonesia Stock Exchange (IDX). Of some 333

companies listed on the Stock Exchange, through purposive sampling method specified

as a sample of 186 companies a year. Through Eckel index calculation, the study sample consists of 156 companies in a corporate tax planning, and 30 years as an enterprise company that does not do tax planning.

Data were collected with documentation. The data have been analyzed by different test independent, after fulfilling some testing requirements.

The study says that, the market reaction is seen in three days after the earnings announcement shows the difference between the market reaction

corporate tax planning by companies that do not do tax planning with a significance level of 5%. The results of this study have implications for subsequent research to try to analyze a similar topic to include other variables that affect the market reaction, both quantitative and qualitative data. And to trace the cause why no similar study tested the hypothesis and there is also untested hypothesis

Keywords: *Tax Planning and Market Reaction.*