

## **ABSTRACT**

### **THE EFFECT OF CORPORATE SOCIAL RESPONSIBILITY DISCLOSURE TOWARD STOCK RETURN ON BASIC AND CHEMICAL INDUSTRY FIRMS THAT LISTED ON INDONESIAN STOCK EXCHANGE**

**By**

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This study aimed to examine the effect of Corporate Social Responsibility disclosure on stock return. Corporate Social Responsibility disclosure is proxied by the Corporate Social Disclosure Index (CSDI) based on the Global Reporting Initiative (GRI) G3 Framework as the dependent variable. The independent variable in this study is stock return using Cumulative Abnormal Return (CAR). In addition, the authors also use the control variables of Debt to Equity Ratio (DER) and Return on Equity (ROE).

In this study, the sampling method using purposive sampling and obtained 17 companies during the years 2010 to 2012. Accordingly, the number of observations in this study amounted to 51 data. And then, the data were analyzed using multiple linear regression analysis method with the Statistical Package for Social Sciences (SPSS) 21 as an analytical tool.

The result of this study showed that Corporate Social Responsibility disclosure give a positive effect on stock return is proxied by CAR. The result indicates that investors responded positively the disclosure of Corporate Social Responsibility information and use that information for making investment decisions.

**Keyword : Corporate Social Responsibility disclosure, stock return**