

## **ABSTRACT**

*Profit is important information needed in making investment decisions. Profit has limitations in providing information. So investors need other information besides earnings to predict the company's stock return, that is earnings response coefficient (ERC). Earnings response coefficient (ERC) is a slope that measures the relationship between earnings announced by the company and its stock returns. Many factors affect the earnings response coefficient (ERC). Some of them are conservative accounting, company size, default risk, and company growth.*

*This research aims to provide an overview of how conservative accounting, company size, default risk, company growth and earnings response coefficient (ERC) in mining sector companies listed on the Indonesia Stock Exchange in 2014-2018. As well as to determine the effect of conservative accounting, company size, default risk, and company growth on the earnings response coefficient (ERC) either partially or simultaneously.*

*The research method used is descriptive verification method. The population of this research were 38 mining sector companies listed on the Indonesia Stock Exchange in 2014-2018. The sampling technique uses purposive sampling with a total sample of 10 companies that comply the criteria. The data analysis method uses multiple linear regression analysis, classic assumption test, correlation analysis, and coefficient of determination. Hypothesis testing uses the statistical method of partial test (t test) and simultaneous test (F test) using SPSS 24 for Windows.*

*The results of this research indicate that partially conservative accounting and firm size has no affect on earnings response coefficient (ERC), default risk and company growth has an affect on earnings response coefficient (ERC). Simultaneously conservative accounting, company size, default risk, and company growth affect on earnings response coefficient (ERC).*

***Keywords: Earnings Response Coefficient (ERC), Conservative Accounting, Company Size, Default Risk, Company Growth***