

ABSTRACT

Financial statements become a fundamental requirement for investors and potential investors in economic decision making. One important information that is considered by investors is information about company profits. Earnings information is one of the instruments used by investors in making investment decisions. Announcement of earnings on the capital market will cause a market reaction or known as Earnings Response Coefficient (ERC).

This study aims to measure how Islamic Social Reporting, Leverage and Earnings Response Coefficient (ERC) and find out how much influence the Islamic Social Reporting and Leverage on Earnings Response Coefficient (ERC).

The research method used is descriptive verification method. The population of this study were 34 Goods and Consumers Manufacturing Companies Listed in the Indonesian Sharia Stock Index for the 2014-2018 period. This sample selection method uses the Purposive Sampling method, data obtained by 11 companies were sampled with observations for 5 years. Data analysis techniques using the classical assumption test, hypothesis testing with multiple linear regression.

Based on research results partially Islamic Social Reporting affects the Earning Response Coefficient (ERC) and partially Leverage affects the Earning Response Coefficient (ERC). While simultaneously Islamic Social Reporting (ISR) and Leverage affect the Earning Response Coefficient (ERC).

Keywords: Islamic Social Reporting, Leverage, Earnings Response Coefficient (ERC)