

## **ABSTRACT**

*Every investor has the same goal in investing, either for the long or short term. Every investor expects to profit from the results of their investment. In choosing a company to invest in, investors will generally analyze the company based on its financial statements by analyzing its financial ratios. However, few of the investors pay attention to the results of the audit opinion. Therefore, this study aims to investigate the effect of audit opinion and changes in audit opinion on abnormal returns in companies listed on the Indonesia Stock Exchange. This research will use companies listed on the Indonesia Stock Exchange in 2017-2021 as the sample population. Abnormal return will be calculated by the difference between actual return and expected return based on the stock price, then accumulated based on the testing period to become cumulative abnormal return. Based on the results of hypothesis testing using non-parametric testing, audit opinion has a significant positive effect on the cumulative abnormal return. In detail, this study shows that unmodified opinions and negative changes in audit opinion have a significant negative effect on the cumulative abnormal return. Based on the research results, the researcher concludes that Indonesia has a semi-strong market shape.*

*Keywords: Audit opinion, shift in audit opinion, abnormal return, cumulative abnormal return*