

ABSTRACT

This study aims to analyze and provide empirical evidence about the effect of financial reporting quality based on market that is conservatism, value relevance, and timeliness on asymmetric information which calculate by bid-ask spread, also the effect of IFRS application in Indonesia. Several previous studies showed varying results. To obtain valid results, then doing a test on each variable based on the hypothesis constructed.

Population that use in this study is an entire company listed in LQ 45 index in Indonesia Stock Exchange during the period 2010-2013. Statistical data analysis method used is multiple regression. The hypothesis of this research is divided into four, conservatism, value relevance, timeliness, and influence before and after IFRS application in Indonesia.

The results indicate that conservatism significantly affect information asymmetric. On the other side, value relevance and timeliness has no effect on information asymmetric. However there is not any different influence between before and after IFRS application.

Keywords : agency theory, bid-ask spread, information asymmetric, economics consequences, conservatism, value relevance, timeliness, IFRS