

ABSTRACT

This research aims to empirically describe the influence of corporate social responsibility towards investors' reaction. In this moment consciousness class business in to applied program CSR more and more increasing, because CSR shape one of strategy business thorough to pulled investors. The investors' reaction was viewed through an efficient marketsform, if investors considered that information as the good information (good-news), then there will be an investors' reaction that reflected through stock price alteration, viewed through the abnormal return and trading volume.

Method used in this research is by use simple regression analysis tools. The research population is all enterprises in the Indonesia Stock Exchange (BEI) for the period 2008-2009. The research samples were manufacturing companies listed on the Stock Exchange, which were selected by using purposive sampling technique with predetermined criteria.

Based on the regression analysis, it showed that the Corporate Social Responsibility has positive and significant effect on abnormal return with a significant level of 0,031. Corporate Social Responsibility is also able to influence the unexpected trading volume with a significant level of 0,040. The results of this research indicated that corporate social responsibility has positive and significant effects on investors' reaction and make social responsibility as one source for making investment decisions.

Keywords: Corporate Social Responsibility, Abnormal Return, Unexpected Trading Volume