

ABSTRACT

The focus of this study was to test the effect of disclosure of Corporate Social Responsibility (CSR) in the company's annual report on the market response to accounting earnings (Earnings Response Coefficient, ERC). Influenced by the CSR addition of some past research suggests that there are several other factors affecting the Earnings Response Coefficient, among others, profitability, growth, leverage, and size as that of Sayekti and Wondabio (2007). Therefore, the purpose of this study is to examine the effect of disclosure of corporate social responsibility (CSR) on corporate earnings response coefficient (ERC) with profitability, growth, leverage, and size as control variables.

Study sample is based on purposive sampling method in which sampling is based on certain criteria, obtained a total of 39 companies as a sample study for one year. Research exert multiple regression.

Test results found a significant and negative effect of the partial CSR towards ERC. Other results showed that there was no significant effect of leverage on the ERC, there is no significant effect between PBV of the ERC, there was no significant effect of ROE on the ERC, and there is a significant and positive influence of company size (Size) of the ERC.

Keywords: *Corporate Social Responsibility, Profitability, Growth, Leverage Ratio, the Company Size and Earning Response Coefficient*