

ABSTRACT

This research aims to analyze the effect of voluntary change of public accountant firm and audit opinion on abnormal returns of manufacturing companies listed on the Indonesia Stock Exchange.

The population consisted of manufacturing companies listed on the Indonesia Stock Exchange with an observation period of 2017-2019. Using purposive sampling, this study investigated 54 companies that changed their public accounting firm voluntarily and consistently published annual reports from 2016 to 2019. Data were then analyzed using multiple regression analysis.

The results showed that the change of the lateral KAP (B4B4) and Cross-Up change of public accountant firm changes (NB4B4) had a positive effect on abnormal returns. The change of the lateral KAP (NB4NB4) and Cross-Down change of public accountant firm (B4NB4) have a negative effect on abnormal returns. Meanwhile, audit opinion has no effect on abnormal return.

Keywords: Change of Public Accountant Firm, Auditor Switching, Audit Opinion, and Abnormal Return