

ABSTRACT

The research objective was to determine whether or not the effect of investment opportunity set, liquidity, and leverage on the Earnings response coefficient at basic industrial and chemical companies, pharmaceutical, and mining companies listed on the Stock Exchange. The theory used in this research is signaling theory. The population in this research are all basic industrial and chemical companies, pharmaceutical, and mining companies listed on the Stock Exchange 2014 until 2016. The sample in this research is determined by purposive sampling method to get 39 sample companies. The data used is secondary data. Hypothesis testing used multiple regression analysis method with SPSS version 20.0 program. The test results showed only leverage that affect the earnings response coefficient.

Keywords: investment opportunity set, liquidity, leverage, earnings response coefficient.