

## ABSTRACTS

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### **MARKET REACTION TOWARD MODIFIED AUDIT OPINION: EMPIRICAL EVIDENCE FROM PRE AND AT PANDEMIC PERIOD.**

(xi + 49 pages: 1 figure; 14 tables; 2 appendices)

This research aims to prove empirically the effect of modified audit opinion toward market reaction from pre and at pandemic period. Market reaction is measured by earnings response coefficient (ERC). The population in this study include all public companies listed on the Indonesian Stock Exchange in 2018-2020 excluding the finance sector. By using purposive sampling, total sample amount to 1020 firm-year observations. Multiple regression analysis is used as the data analysis method in this research. Result indicates that modified audit opinion does not affect market reaction using earnings response coefficient during the year 2018-2020. However, modified audit opinion affects the market reaction positively at pandemic period. The result of this study implies that during the pandemic COVID-19 in 2020, information in the modified audit opinion is more likely to be important to the market.

References: 38 (1976-2021)

**Keywords:** modified audit opinion, market reaction, cumulative abnormal return, earnings response coefficient