

The Comparative Analysis of International Financial Reporting Standart Adoption through Earnings Response Coefficient and Conservatism Principle: Case Study in Jakarta Islamic Index 2010 - 2014

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Abstract : The purpose of this empirical study is to analyse how to the market reaction and the conservative degree changes on the adoption of International Financial Reporting Standart (IFRS) through Jakarta Islamic Index. The study also has given others additional analysis on the profitability, capital structure and size company toward IFRS adoption. The data collection methods used in this study reveals as secondary data and deep analysis to the company's annual report and daily price stock at yahoo finance. We analyse 40 companies listed on Jakarta Islamic Index from 2010 to 2014. The result of the study concluded that IFRS has given a different on the depth analysis to the two of variance analysis: Moderated Regression Analysis and Wilcoxon Signed Rank to test developed hypotheses. Our result on the regression analysis shows that market response and conservatism principle is not significantly after IFRS Adoption in Jakarta Islamic Index. Furthermore, in addition, analysis on profitability, capital structure, and company size show that significantly after IFRS adoption. The findings of our study help investor by showing the impact of IFRS for making decided investment.

Keywords : IFRS, earnings response coefficient, conservatism principle

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