**ABSTRACT**

*Jessica / 30150095 / 2019 / The Impact of Earning Persistence, Opportunity Growth, Leverage, Profitability, and Firm Size on Earnings Response Coefficient in Manufacturing Firms Listed on Indonesian Stock Exchange for the Period of 2014-2018 / Advisor : Drs. Ari Hadi Prasetyo, M.M., M.Ak.*

*In December 2018 when the composite stock price index (CSPI) fell 3.02%, there were several sectors that experienced an increase in share prices. Of course, an increase in these sectors was followed by growth of performance of each issuer. Based on that phenomenon, this study aims to examine earnings persistence, growth opportunities, profitability, capital structure, and firm size that affect market responses to earnings information measured using earnings response coefficient (ERC).*

*Theories that underlie this research are, Signaling Theory, Resource-Based Theory and Agency Theory. Signaling theory explains that management sends information about the company's performance to give instructions to investors about the company's actual fundamental conditions. Resource-based Theory explains that companies that can manage their resources well have a competitive advantage and good financial performance, potentially resulting in high profits. Agency Theory explains the relationship between agent and principal, which causes agency conflict.*

*The sample of this study consisted of 31 manufacturing companies listed on the Indonesian Stock Exchange (IDX) during the 2014-2018 period. The sampling technique in this study is using a non-probability sampling technique with a purposive sampling method. Data analysis techniques used are multiple regression analysis (t-test, F-test, and coefficient of determination test) and classic assumption tests (normality test, heteroscedasticity test, multicollinearity test, and autocorrelation test) with SPSS 20.*

*Based on the F-test results obtained sig. of 0.028 and the coefficient of determination test of 0.253. So, this regression model can be used to predict earnings response coefficient. And this research model also passed the classical assumption test. The results of this study indicate the sig-t value of earnings persistence variable is 0.015 and the growth opportunity is 0.016. However, the sig-t value of capital structure variable is 0.339, profitability is 0.442 and firm size is 0.194.*

*Based on the results of this analysis, it can be found that there is sufficient evidence that earnings persistence has a positive effect on ERC. Also, growth opportunities influence ERC and give a negative direction. While the capital structure, profitability and firm size were not found enough evidence of influence on ERC.*