ABSTRACT

This research examine the factors that affecting earning response coefficient such as beta, capital structure, earning persistence, growth opportunities, and firm size in the fair value accounting environment of Australia, because Australia has implemented IFRS since 2005.

The sample used is 83 diversified financial firms that listed on Australian Securities Exchange (ASX) 2007-2010. The method of analysis is by using multiple regression analysis models.

The result shows that only growth opportunities that affecting Earning Response Coefficient and also it is proven that Beta, Capital Structure, Earning persistence, Growth Opportunity, and Firm Size is affecting simultaneously to the Earning Response Coefficient.

Keyword: Earning Response Coefficient, Beta, Capital Structure, Earning Persistence, Growth Opportunities, Firm Size.