

ABSTRACT

The objectives of this research is to test whether any significance value in audit opinion and audit delay against market reactions. This research is using audit opinion and audit delay as independent variable; and dependent variable is market reactions. To test market reactions, the researcher use abnormal return which are average abnormal return (AAR) and cumulative average abnormal return (CAAR) as indicators. In analyzing audit opinion and audit delay, the researcher categorize audit opinion as : unqualified opinion, unqualified opinion with explanatory paragraph or modified wording, and qualified opinion; and audit delay as : short, moderate, and long. The research object is 13 mining companies that listed in IDX 2009-2013. The researcher use mining companies because its market capitalization and stock prices have been crashed down since 2011 until 2013.

This research is using event studies that estimation period is 100 days and event period is 21 days. Statistic methods used in this research are one sample t-test and one sample wilcoxon signed-rank test to determine if there is the significance value around audit opinion announcement and audit report date. The result findings showed that audit opinion and audit delay have no significance against market reactions during date of announcement and audit report.

Keywords : audit opinion, audit delay long, market reactions, event studies, abnormal return, mining company