

ABSTRACT

The research on the Effect of Accounting Firm and Timeliness In the Financial Statement Reporting measured against Market Reaction premises cumulative abnormal returns. The goal is to analyze the change of the Public Accounting Firm and timeliness of financial statement reporting to the market reaction to the 39 companies listed on the Stock Exchange in 2012-2014.

The results of this study showed that no finding of significant influence Substitution KAP on Abnormal Return indicates that the information regarding the change of KAP is a common thing that does not affect the company's financial performance, so investors do not consider that a change of KAP contain information capable of affecting the movement of stock prices in the stock effect. The results also indicate the timeliness of financial reporting significant effect on Abnormal Return to the timeliness of financial reporting by the investor is regarded as an important information and responded as good news regarding the company's financial performance. Furthermore, the good news would affect the stock price increases which in turn increases abnormal stock return.

Keyword :The market reaction , change of KAP , Timeliness.

