



Factors Influencing Investor Responses to Earnings Related Announcements in The Pandemic Era of Covid-19

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Abstract: This study aims to examine the Effect of Growth Opportunities on Earning Related Announcements. The effect of Debt Policy on ERC (Earnings Response Coefficient) and the effect of Company Size on ERC (Earnings Response Coefficient) is the role of the company's reputation as a moderator between the Effect of Growth Opportunities on Profit-Related Announcements. there is a role for the company's reputation as a moderator between the effect of debt policy on the ERC (Earnings Response Coefficient) and the role of the company's reputation as a moderator between the effect of company size on the ERC (Earnings Response Coefficient). by using multiple regression analysis. The researcher concludes that there is an influence of growth opportunities and corporate size on the earnings response coefficient. but the debt policy has no effect on the earnings response coefficient. then there is the role of corporate reputation as a moderator of the influence of growth opportunities and corporate size on earnings response coefficient but there is no role of corporate reputation as a moderation of the effect of debt policy on earnings response coefficient.

Keywords: Earnings Response, Coefficient, Growth Opportunities, Corporate Reputation, Firm Size

INTRODUCTION

Profits (earnings) are still the most awaited information by the market and always cause a response from investors, that small and large amounts can cause big fluctuations which result in fluctuations in business existence. The market response triggers a variety of things, one example is the announcement of profits (Earnings Related Announcements). In deciding something, an investor needs a policy. In order to provide sufficient financial

information that is useful in making economic and investment decisions, the benefits provided must be of good quality. The method used in measuring profits is the Earnings Response Coefficient (ERC) variable (Nataliantari et al., 2020). If through the Earnings Response Coefficient, the profit information can be said to have a high quality market reaction.

The current phenomenon is related to the research topic, so that researchers are interested in doing this research, due to cases and news that have occurred in banking companies, namely the share price of BCA bank where the company is registered on the Indonesian Stock Exchange (Indonesia Stock Exchange), namely with the BBCA stock code, it has increased significantly over the last five years in the 2015-2019 period. In 2015, BBCA's share price was IDR 13,300, in 2016 it was IDR 15,500, in 2017 it rose to IDR 21,900, in 2018 it touched IDR 26,000, while in 2019 it had a share price of IDR 33,425. BBCA's revenue has also increased significantly, which has been welcomed by investors. In 2020, BBCA managed to increase its share price to IDR 33,850, even though its profit has decreased. This elicited a positive response from investors who invested in BBCA's shares. This positive reaction provides an explanation that investors as investors assume that BBCA shares will be able to generate the expected returns on investments made even though there is a decline in profits. So that this incident turns into good news for a higher income response coefficient value (keuangan.kontan.co.id).

The phenomenon that occurred in the case of PT Bank Central Asia Tbk (BBCA) was different from that experienced by PT Bank Negara Indonesia Tbk (BBNI). Contrary to the reaction obtained by PT. Bank Central Asia, Tbk (BBCA), for the same business in the banking industry sector which feels something is not aligned, where BBNI's profits have increased in the last 5 (five) consecutive years but this situation has not been accompanied by its share price. In the last 3 years, BBNI's share price has decreased. In 2017 the business share price penetrated Rp. 9,900, in 2018 the business share price fell to Rp. 8,800 and in 2019 the share price fell to Rp. 7,850. In 2020 PT Bank Negara Indonesia Tbk profits decreased and its share price became IDR 6,175. Regarding the situation that has been described, BBNI's shares received a negative reaction to the business's share price. This incident is used as a bad news message which describes the small earnings response coefficient.

Analysis that can be carried out in understanding the aspects that influence the Earnings response coefficient is by measuring growth opportunities, profitability, leverage and company size. Growth Opportunities are what will become a business in the future, as measured by profit growth, also felt to have an effect on the ERC (Earnings Responses Coefficient). The company's growth potential, (Angela & Iskak, 2020), growth opportunities can be seen from the company's growth rate. Growth prospects describe how the company will have growth opportunities. If a company experiences high growth, the market is considered to have responded well. Investors anticipate the company's future growth potential will be profitable. In this research, the research track is the scientific field of accounting.

LITERATURE REVIEW

Signal Theory (Signaling Theory)

According to Gurusinga & Pinem (2019) and Rahmawati (2012), this chapter outlines the findings from the study results as well as deficiencies, contributions and recommendations that must be made. According to Spence (1973), signaling is an effort made by information providers to convey problems accurately to other parties so that they are willing to invest even though there is uncertainty. According to this view, company information is very important to outsiders who make investment decisions (Ross, 1977). Usually, the sender must choose the information to communicate (or signal), and the receiver

must decide how to interpret the signal (Connelly, Certo, Ireland & Reutzel, 2011).

Agency Theory

This hypothesis is based on the principal-agent relationship between shareholders and management (Gurusinga & Pinem, 2019). The working relationship between shareholders or business owners and management is explained by agency theory (Wicaksananingtyas & Sari, 2019). In this case, management is the agent. Shareholders (principals) appoint agents, who are then given the responsibility and power to run the business. Agency theory implies that principals and agents will be motivated by their personal interests to maximize their subjective usefulness and also realize their common interests, according to Ayshinta, et al. (2019). Depending on the level of effort required, agents try to maximize their contract revenue (Ayshinta, et al., 2019).

Earnings Response Coefficient

The effect of unexpected profit surprises on cumulative abnormal returns, as shown by the slope coefficient in the abnormal regression on the cumulative abnormal returns of equity with unexpected profits, is known as the ERC (Earnings Response Coefficient), according to Hartanto & Wijaya (2019). According to Astuti (2020), ERC (Earnings Response Coefficient) is an important marker of abnormal stock returns in response to elements of abnormal profit (unexpected earnings) reported by stock issuers. Investors can estimate the possibility of rising and falling stock prices in response to market reactions to business earnings reports by using the ERC (Earnings Response Coefficient) as a valuation model.

Growth Opportunities

The growth potential reveals the company's expansion. Companies need possibilities for growth and development, as well as capital, and it may be difficult for managers to strike a balance between cash income and consumption (Mendoza et al., 2019). Businesses must continue to grow and be dynamic in order to survive in increasingly fierce and global business competition. Companies will also increase their level of investment, or what are also known as developing companies, tend to adopt accounting conservatism because projected conservative accounting profits are lower than optimistic accounting profit calculations (Nguyen et al., 2020). Corporations increase investment to prevent behavior that is detrimental to the company's finances.

Corporate Reputation

Corporate Reputation is proxied by company profitability. Analysis of the level of profitability of the company provides results related to the potential profits achieved by the company in a certain period and provides an indication of how well the company's performance is. A company, generally established to make a profit; Therefore, the profitability ratio is one of the most important financial ratios and is considered by various parties. The calculation of the profitability ratio can use sales as a basis or use an investment basis such as total assets. There are several types of profitability ratios, such as Profit Margin On Sale (measured by dividing net profit with net sellers); ROA; ROE Earnings Per Share; GPM ; OPM. In this study, the profitability level used is ROA, namely by dividing net profit by the average total asset.

Debt Policy

The company's debt policy is proxied by leverage, which is the amount of debt used to finance or give the company's assets, so businesses with more debt than equity are

sometimes called higher-level companies. Leverage is also the risk and rate of return resulting from the use of cost financing, such as debt and preferred stock (Dewi & Puspaningsih, 2019) in order to realize the company's goal of maximizing the wealth of company owners. Leverage ratio is usually used as a reference to confirm a company's position on its obligations to its creditors and assess its ability to fulfill its company's commitments.

Firm Size

Firm Size according to Mustikowati & Firdaus (2018) is a measure of company size based on total assets, total sales, total income, tax burden, and other factors. Total assets increase with company size (Ursula & Adhivinna) (2018). While Nugroho et al. (2020) defines Firm Size as the number and variety of production capacity and the company's ability to have or the number and variety of services that the company can provide simultaneously to customers, we can also define it as the number and variety of services that the company can have. An important factor in the selection of accounting procedures is the company. One of the factors that will influence management decisions in the future is firm size.

RESEARCH

Using the explanatory empirical study method, which explains the influence between the variables used through hypothesis testing with panel data techniques, because it is a combination of cross sectional and times series. The analytical method used in this study is the consideration of the pattern of influence between the independent variables which are correlative and causality to determine the magnitude of the influence of the independent variables on the independent variables. Planning to collect data in financial reports for 2 months.

Banking companies listed on the Indonesia Stock Exchange (IDX) in the 2019-2021 period are the chosen subjects of this research. The banking sector was chosen as the subject of this study due to the acquisition of banking companies and also the entry of the banking industry into the top stock investment sector category. Compared to Islamic commercial banks, conventional commercial banks are now growing very fast. Variables used to change or cause the arrival of the dependent (bound) variable are said to be independent variables. Therefore, the independent variables in this study are as follows:

Growth opportunities

Growth opportunity is an opportunity for a company to grow. Companies to grow and develop need opportunities or opportunities. Companies also need funds where there are challenges for managers to balance between income and use of cash. The higher the opportunity for the company to grow, the greater the need for funds needed by the company. In conducting research, a formula is used by looking at the growth in the value of total assets from one year to the previous year. Investors tend to be interested in the growth value of company assets. Growth opportunity can be calculated as follows:

$$\text{Growth Ratio} = \frac{\text{Total aset}(t) - \text{total aset}(t - 1)}{\text{Total aset}(t - 1)}$$

Profitability

Profitability is the level of net profit that a business gets when carrying out operational activities. The company will always try to increase its profitability. Profitability itself shows business expertise in gaining profits in relation to sales, total assets and own capital (Haryanto, 2015). In this study, company profitability was measured using the return

on asset equation. Return on assets is the proportion between the company's total net profit and the company's total assets, which is calculated using the following formula:

$$\text{Return On Asset} = \frac{\text{Net Income}}{\text{Total Asset}}$$

Leverage

Leverage is a ratio that measures a company's ability to pay off long-term debt. Leverage has a relationship with company performance, Leverage in this study is between debt and assets, which shows assets to be used in guaranteeing debt. The equation used is as follows:

$$\text{Debt to Total Asset} = \frac{\text{Total Debt}}{\text{Total Asset}}$$

Company Size

Company size reflects the company's ability to grow and the level of risk in managing investments. In this study, company size is measured from the natural logarithm of total company assets in Masdar Mas'ud (2008) with the following equation:

$$\text{Size} = \text{Logaritma Natural (Ln) of Total Assets}$$

Dependent Variable

The main variable in this study is Dependent. This particular variable is one that is affected by other independent variables. The independent variable used in this study is earnings quality. The procedure used in the measurement uses the ERC (Earnings Response Coefficient). ERC (Earnings Response Coefficient) can be defined as a tool to reduce the abnormal return threshold for equity relative to non-performing effects that have been disclosed by the company. For EU financial data, this analysis uses EPS from the quarterly reports uploaded by the company to the Indonesian Stock Exchange (IDX) website. The Profit Response Coefficient will be determined by the relationship between CAR and EU and the following formula:

$$\text{CAR}_{it} = \alpha_0 + \alpha_1 \text{UE}_{it} + \epsilon_{it}$$

Research Model First Model:

$$\text{ERC} = \alpha + \beta_1 \text{GROW_OPP} + \beta_2 \text{DEB_POL} + \beta_3 \text{FIRM_SIZE} + e \dots \dots \dots (1)$$

Second Model:

$$\text{ERC} = \alpha + \beta_1 \text{GROW_OPP} + \beta_2 \text{DEB_POL} + \beta_3 \text{FIRM_SIZE} + \beta_4 \text{GROW_OPP} * \text{COR_REP} + \beta_5 \text{DEB_POL} * \text{COR_REP} + \beta_6 \text{FIRM_SIZE} * \text{COR_REP} + e \dots \dots \dots (2)$$

Information:

- GROW_OPP = Growth Opportunities
- DEB_POL = Debt Policy
- FIRM_SIZE = Firm Size
- COR_REP = Corporate Reputation
- α = Constant
- β1... β5 = Regression Coefficient
- e = Error

RESULT AND DISCUSSION

Descriptive Statistics

Numerically, descriptive data analysis was carried out by providing an overview or description of the data based on the minimum value, maximum value, average value (mean), and standard deviation of each of the variables studied.

Table 1. Descriptive Statistic

	N	Minimum	Maximum	Mean	Std. Deviation
COM_SIZE	160	14.95442	30.40256	19.7554058	3.78024944
GRO_OPP	160	.05041	1.95711	.8239322	.20507889
DEB_PLY	160	-.75988	4.34915	.1294036	.38953991
COM_REP	160	-.06313	.15415	.0088572	.01935053
EAR_ANC	160	-73.76175	28.17953	-.6532448	8.61084183
Valid N (listwise)	160				

Source: SPSS 25 (2023)

Normality test

The normality test in scientific research is used to test whether the residual values resulting from the regression model are normally distributed or not. So in this case what is tested for normality is not each independent and dependent variable but the residual value resulting from the regression model. A good regression model is one that has normally distributed residual values. The test method used in this study is to use the Kolmogorov-Smirnov test (Rusli, 2020).

From the input data and calculations performed computerized through the SPSS program, the following results are obtained:

Table 2. Normality Test

One-Sample Kolmogorov-Smirnov Test		Unstandardized Residual
N		160
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	8.23011232
Most Extreme Differences	Absolute	.356
	Positive	.288
	Negative	-.356
Test Statistic		.356
Asymp. Sig. (2-tailed)		.583 ^c

a. Test distribution is Normal.
 b. Calculated from data.
 c. Lilliefors Significance Correction.

Source: SPSS 25 (2023)

Based on the results in the table above, we can see that the significance value is 0.583 or greater than 0.05, which means that the data used for this study is normally distributed in each research variable.

Autocorrelation Test

The autocorrelation test is used to determine whether or not there is a deviation from the classic assumption of autocorrelation, namely the correlation that occurs between residuals in one observation and other observations in the regression model. A good regression model is a regression model that is free from autocorrelation. There are several

ways that can be used to detect the presence or absence of autocorrelation. The test method that is often used is the Durbin-Watson test (DW test) with the following conditions:

- If d is less than dL or greater than $(4-dL)$ then the null hypothesis is rejected, which means there is autocorrelation.
- If d lies between dU and $(4-dU)$, then the null hypothesis is accepted, which means there is no autocorrelation.
- If d lies between dL and dU or between $(4-dU)$ and $(4-dL)$, then it does not produce a definite conclusion.

The correlation that occurs between errors/residuals in certain periods (eg t) with errors/residuals in other periods (eg $t-p$). The existence of autocorrelation problems causes the variance formed in the simple linear regression model to be not minimum. In addition, the existence of autocorrelation causes the estimation of the model variance to be biased, the software tends to underestimate the model variance. In the following, the results of the autocorrelation test with the Durbin Watson test in this study are presented

Table 3. Autocorrelation Test

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.294 ^a	.387	.363	8.33597	1.939

a. Predictors: (Constant), COM_REP, DEB_PLY, COM_SIZE, GRO_OPP
 b. Dependent Variable: EAR_ANC

Source: SPSS 25 (2023)

The Durbin Watson (D) value in processing the data from this study was 1.735, which means $D_u < D < 4-D_u$, namely: $1.7911 < 1.9390 < 2.2089$, these results indicate that there is no autocorrelation in this research model.

Multicollinearity Test

According to Pangestu (2021), the multicollinearity test aims to find out whether there is a relationship between the independent variables and other variables. A good regression model is that there is no relationship between the independent variables. The multicollinearity test was used to test whether the regression model found a high correlation between the independent variables. A good regression model should not have a high correlation between the independent variables. The test method commonly used is by looking at the Inflation Factor (VIF) and Tolerance values in the regression model. If the VIF value is less than 10 and the tolerance is more than 0.1, then the regression model is free from multicollinearity (Rusli, 2021). The results of the multicollinearity test can be seen in the following table

Table 4. Multicollinearity Test

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	Collinearity Statistics	
		B	Std. Error	Beta	Tolerance	VIF
1	(Constant)	-5.538	5.325			
	COM_SIZE	-.012	.186	-.005	.889	1.125
	GRO_OPP	4.709	3.582	.112	.810	1.235
	DEB_PLY	1.971	1.782	.089	.907	1.102
	COM_REP	110.606	35.798	.249	.911	1.098

Source: SPSS 25 (2023)

In the table above, we can see that there are no independent variables that have a Tolerance value of less than 0.1 and there are no independent variables that have a Variance Inflation Factor (VIF) value of more than 10. So it can be concluded that there is no multicollinearity between the independent variables in the regression model.

Heteroscedasticity Test

The heteroscedasticity test is used to test whether in the regression model there is an inequality of variance from the residuals from one observation to another. A good regression model is that there is no heteroscedasticity (Rusli, 2020). Testing whether there is heteroscedasticity in this study uses the Glejser test. The following presents the results of testing with the Glejser test.

Table 5. Heteroscedasticity Test

		Coefficients ^a				
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6.207	4.912		1.264	.208
	COM_SIZE	.024	.171	.011	.138	.891
	GRO_OPP	2.676	3.305	.071	.810	.319
	DEB_PLY	-1.378	1.644	-.069	-.839	.703
	COM_REP	70.345	33.022	.175	2.130	.138

a. Dependent Variable: abs_RES

Source: SPSS 25 (2023)

From the table above it can be seen that the significant value of the t test for all independent variables with Absolute Residual (ABS_RES) is more than 0.05. So it can be concluded that in the regression model of this study there is no heteroscedasticity problem.

Hypothesis testing

Results of Multiple Linear Regression Analysis Model 1 - unmoderated

Multiple regression analysis was used to determine the relationship between Growth opportunities, Debt Policy, firm size, and Corporate Reputation on Earnings Related Announcements in this study.

Table 6. Heteroscedasticity Test

		Coefficients ^a				
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.538	5.325		-1.040	.000
	GRO_OPP	3.709	3.582	.112	1.314	.019
	DEB_PLY	1.971	1.782	.089	1.106	.270
	COM_SIZE	.912	.186	.005	.063	.001

a. Dependent Variable: EAR_ANCSource: SPSS 25 (2023)

Based on the test results in the figure above, multiple linear regression calculations using the SPSS 26.00 program yield the following results:

$$EAR_ANC = 5.538 + 3.708 \text{ GRO_OPP} + 1.971 \text{ DEB_PLY} + 0.912 \text{ COM_SIZE} + e$$

The regression equation above shows the following information:

1. The constant value is 5.538. These results indicate that if the value of all independent variables is 0, then the EAR_ANC value will be 5.538.
2. The value of the GRO_OPP variable regression coefficient is 1.579. These results indicate

that if GRO_OPP increases by one unit, EAR_ANC will increase by 3.708 units assuming other variables are constant.

3. The value of the regression coefficient of the DEB_PLY variable is 1.971. These results indicate that if DEB_PLY increases by one unit, EAR_ANC will increase by 1.971 units assuming other variables are constant.
4. The value of the regression coefficient of the COR_SIZE variable is 0.912. These results indicate that if COR_SIZE decreases by one unit, EAR_ANC will decrease by 0.912 units assuming other variables are constant.

Results of Multiple Linear Regression Analysis Model 2 (Moderating Variable)

Multiple regression analysis is used to determine the relationship of Growth Opportunities, Debt Policy, Corporate Size, and Corporate Reputation to Earnings Related Announcements.

Table 7. Regression Test

		Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	6.235		4.955	1.258	.001
	GRO_OPP	1.818		1.161	.102	.001
	DEB_PLY	3.679		3.505	1.035	.302
	COR_SIZ	1.089		1.165	.308	.018
	COM_REP	3.368		8.353	5.739	.000
	GROOPP_CORREP	1.281		3.207	2.931	.001
	DEBPLY_CORREP	3.171		3.205	.992	.323
	COMSIZE_CORRE	1.261		3.207	2.931	.003
	P					

a. Dependent Variable: EAR_ANC Source: SPSS 25 (2023)

Based on the test results in the figure above, multiple linear regression calculations using the SPSS 26.00 program yield the following results:

$$EAR_ANC = 6.235 + 1.818\ GRO_OPP + 3.679\ DEB_PLY + 0.089\ COM_SIZE + 3.368\ COM_REP + 1.381\ GRO_OPP*COM_REP + 3.171\ DEB_PLY*COM_REP + 1.261\ COM_SIZE*COM_REP + e$$

The regression equation above shows the following information:

1. The constant value is 6.235. These results indicate that if the value of all independent variables is 0, then the Earnings Releted Announcement value will be 6.235.
2. The regression coefficient value of the Growth Opportunities variable is 2.989. These results indicate that if the Growth Opportunities increase by one unit, the Earnings Releted Announcement will increase by 1.818 units assuming other variables are constant.
3. The regression coefficient value of the Debt Policy variable is 3.679. These results indicate that if the Debt Policy increases by one unit, the Earnings Releted Announcement will increase by 3.679 units assuming other variables are constant.
4. The regression coefficient value of the Corporate Size variable is 3.915. These results indicate that if the Corporate Size increases by one unit, the Earnings Releted Announcement will increase by 3.915 units assuming other variables are constant.
5. The regression coefficient value of the Growth Opportunities variable moderated by Managerial Ownership is 1.381. These results indicate that if the Growth Opportunities moderated by Corporate Reputation increase by one unit, the Earnings Releted Announcement will increase by 1.381. units assuming other variables remain constant.
6. The regression coefficient value of the Debt Policy variable moderated by Managerial Ownership is 3.171. These results indicate that if the Debt Policy moderated by Corporate

Reputation increases by one unit, the Earnings Related Announcement will increase by 3.171. units assuming other variables remain constant.

- The regression coefficient value of the Corporate Size variable moderated by Managerial Ownership is 1.261. These results indicate that if the Corporate Size moderated by Corporate Reputation increases by one unit, the Earnings Related Announcement will increase by 1.261. units assuming other variables remain constant.

Determination Coefficient Test

The coefficient of determination (R²) essentially measures how far the model's ability to explain the variation in the dependent variable. The coefficient of determination is zero and one. The small R² value means that the ability of the independent variables to explain variations in the dependent variable is very limited (Rusli, 2019). The value of the coefficient of determination is located in the summary table in the R Square column. The following shows the results of the multiple linear regression coefficient of determination test:

Table 8. Determination Test

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.507 ^a	.319	.383	7.68945

a. Predictors: (Constant), COM_REP, DEB_PLY, COM_SIZE, GRO_OPP
Source: SPSS 25 (2023)

The table above shows that the value of Adjusted R Square (R²) is 0.383, this can mean that 38.30% of the variation in Earnings Related Announcements in this study can be explained by the four independent variables used in this study. The remaining 61.70% can be explained by other variables outside the model in this study which are not included in the regression model.

Discussion

Effect of Growth Opportunities on Earnings Related Announcements

Growth Opportunities can be used as a classification system for assessing the success or failure of a company. The possibility of future development of the company is explained by its growth potential. Growth opportunities present themselves for businesses to make profitable investments, this is due to the certainty of future income, investors will be more interested in investing in companies (Raza et al., 2021).

Effect of Debt Policy on Earnings Related Announcements

Debt Policy made by the company can be proxied by Leverage, namely the extent to which an entity's business depends on borrowing money to finance its operations. Inappropriate debt policy by company management in making loans will have a detrimental effect on earnings quality, according to previous research by Marpaung (2019), which stated that in previous studies leverage had a detrimental effect on earnings quality.

Effect of Firm Size on ERC (Earnings Response Coefficient)

Companies with more total assets show that they are more reliable and able to make more money than companies with fewer or lower total assets. Companies whose performance is visible to the public will report their financial position more carefully, showing a higher level of informativeness in the information contained therein. In addition, because the company is more transparent, profit control will decrease. Because they do not have to manipulate earnings, larger companies will have superior earnings quality, and vice versa (Warianto and Rusiti, 2014).

The role of Corporate Reputation as a moderator between Growth Opportunities and Earnings Related Announcements

Corporate Reputation is a statistic that can be proxied by the level of profitability of a company that is used to evaluate a company's capacity to generate money. This indicator serves as a measure of how well the company's management is performing in running its business or business. Profit margins can be used to compare various aspects of financial statements, especially the income statement and statement of financial position. The company's profitability will be able to attract investors to invest their capital in the company so that it can develop

The role of Corporate Reputation as a moderator between Debt Policy and Earnings Related Announcements

The debt policy made by the company's management to increase the company's capital will more or less have an impact on the level of investor reaction to the company's stock price when it announces the company's profit and loss. Companies that have a good reputation will have less impact on the reaction caused by investors in the announcement of company earnings. Dewi, S. P., & Puspaningsih, A. (2019) states that with a good corporate reputation that develops among the general public, it will strengthen the effect of the debt policy on the reaction rate of investors when there is an announcement of company profits whether they increase or not. Based on the exposure to the development of the hypothesis above, the fourth hypothesis in this study is.

The role of Corporate Reputation as a moderator between Firm Size and Earnings Related Announcements

Firm Size reflects the company's ability to grow and the level of risk in managing investments. Firm Size (company size) based on total assets, total sales, total income, tax expense, and other factors. Total assets increase with company size (Ursula & Adhivinna, 2018). Meanwhile Nugroho, et al. (2020) defines Firm Size as the number and variety of production capacity and the company's ability to have or the number and variety of services that the company can provide simultaneously to customers, we can also define it as the number and variety of services that the company can have. When the results show, the earnings response coefficient actually decreases when firm size or stock price information increases. According to agency theory, large companies incur higher agency costs than small businesses

CONCLUSION

Growth Opportunities can be used as a classification system for assessing the success or failure of a company. Debt Policy made by the company can be proxied by Leverage, namely the extent to which an entity's business depends on borrowing money to finance its operations. Companies with more total assets show that they are more reliable and able to make more money than companies with fewer or lower total assets. Corporate Reputation is a statistic that can be proxied by the level of profitability of a company that is used to evaluate a company's capacity to generate money. The debt policy made by the company's management to increase the company's capital will more or less have an impact on the level of investor reaction to the company's stock price when it announces the company's profit and loss. Firm Size reflects the company's ability to grow and the level of risk in managing investments. Firm Size (company size) based on total assets, total sales, total income, tax expense, and other factors.

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