

**Perubahan Market Reaction (Information Content) dan Long-term Association (Value Relevance) Informasi Akuntansi Dalam Tahapan Konvergensi International Financial Reporting Standards (IFRS)**

**ABSTRACT**

*This adoption of International Financial Reporting Standards (IFRSs) in Indonesia motivates this study to examine the market reaction to earnings announcement under Indonesian IFRSs. With the expectation that the adoption of IFRS increase the quality of Indonesian firms' financial statements, this study examines the abnormal returns around the release of earnings of Indonesian firms' before and after the effective date of the application adopted accounting standards in Indonesia. This study finds some evidence to support that the adoption of IFRSs accounting standards leads to greater market reaction around the release of earnings in 2011 and 2012 relative to the prior period. This result can be interpreted as the increasing quality of financial information under Indonesian version of IFRS. A positive association between abnormal returns and earnings level and book value of equity change are found. These results support the claims from prior studies that the quality of financial information under IFRSs is better than domestic GAAP.*

Keywords: Market reaction, information content, value relevance, IFRS