



Hak Cipta Dilindungi Undang-Undang

1. Dilarang mengutip sebagian atau seluruh karya tulis ini tanpa mencantumkan dan menyebutkan sumber:
 - a. Pengutipan hanya untuk kepentingan pendidikan, penelitian, penulisan karya ilmiah, penyusunan laporan, penulisan kritik atau tinjauan suatu masalah.
 - b. Pengutipan tidak merugikan kepentingan yang wajar Unand.
2. Dilarang mengumumkan dan memperbanyak sebagian atau seluruh karya tulis ini dalam bentuk apapun tanpa izin Unand.

**THE EFFECT OF CORPORATE SOCIAL AND ENVIROMENTAL
RESPONSIBILITY (CSER) INDEX TOWARD STOCK PRICE
CHANGE AND TRANDING VOLUME ACTIVITY
(Empirical Studies on Companies that listed on IDX)**

THESIS



**CANI DESTARI ADHA
04 153 116**

**ACCOUNTING DEPARTEMENT ECONOMIC FACULTY
UNIVERSITAS ANDALAS
PADANG
2011**

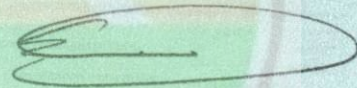
THESIS APPROVAL LETTER

Herewith, Dean of Economic Faculty of Andalas University, Head of Accounting Program, and Thesis Advisor stated that:

Name : Cani Destari Ahda
Student's ID Number : 04 153 116
Field of Study : Accounting
Degree : Bachelor Degree
Thesis Title : The Effect of Corporate Social and Environmental Responsibility (CSER) Disclosure toward Stock Price Change and Trading Volume Activity (*Empirical Study on Companies Listed In Indonesia Stock Exchange*)

has already passed the thesis seminar on March 3, 2011 based on procedures and regulations prevailed in The Faculty of Economics, Andalas University.

Padang, Juni 2011
Thesis Advisor



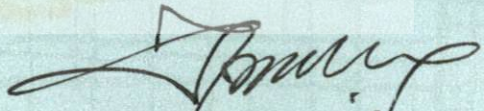
Drs. Riwayadi, MBA, Ak
NIP. 1964228.199207.1001

Approved by:

Dean of Economic Faculty

Head of Accounting Department

Prof. Dr. H.Syafuruddin Karimi, SE. MA
NIP.19541009.198012.1001

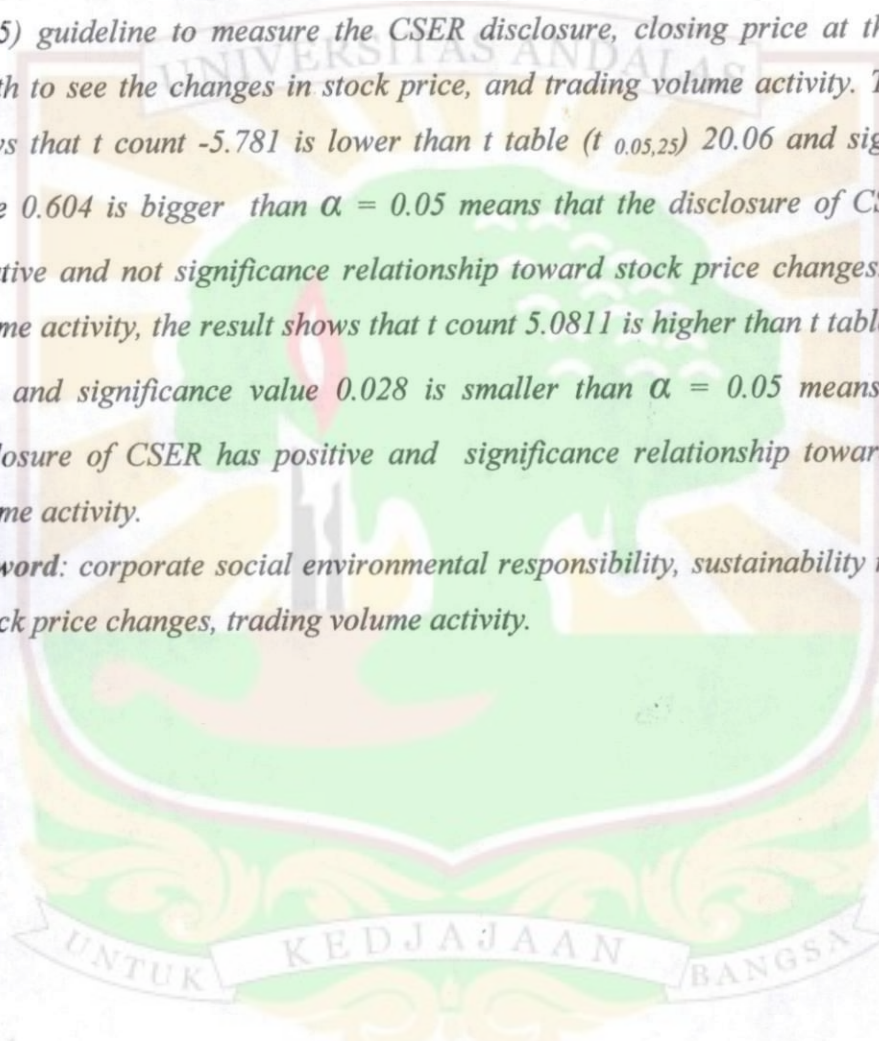


Dr. H. Yuskar, SE. MA. Ak
NIP. 19600911.198603.1001

ABSTRACT

The Purpose of this study was to determine the effect of corporate social and environmental responsibility (CSEER) disclosure to the changes in stock prices and trading volume activity. This research was conducted at companies listed in Indonesia Stock Exchange from 2006-2010 which publish sustainability report during 2006-2009. This study used content analysis model based on Situmeang (2005) guideline to measure the CSEER disclosure, closing price at the end of month to see the changes in stock price, and trading volume activity. The result shows that t count -5.781 is lower than t table ($t_{0.05,25}$) 20.06 and significance value 0.604 is bigger than $\alpha = 0.05$ means that the disclosure of CSEER have negative and not significance relationship toward stock price changes. Trading volume activity, the result shows that t count 5.0811 is higher than t table ($t_{0.05,25}$) 2.06 and significance value 0.028 is smaller than $\alpha = 0.05$ means that the disclosure of CSEER has positive and significance relationship toward trading volume activity.

Keyword: *corporate social environmental responsibility, sustainability reporting, stock price changes, trading volume activity.*



ACKNOWLEDGEMENT

In the name of Allah, the most gracious, the most merciful. Alhamdulillah, praise is to Allah SWT who has given the writer strength and chance to finish this thesis with the title “The Effect of Corporate Social and Environmental Responsibility (CSER) Disclosure toward Stock Price Change and Trading Volume Activity”.

The writer realizes that this thesis is still far from perfection. So, the writer is expecting guidance and suggestion to reach the perfection in this thesis. Then, writer also realizes that the successful cannot be separated from the favors and assistances of exceptional people to whom I am very grateful. On this occurrence, I would like to express my gratitude to those who have support and encourage me on my life especially in academic life.

1. My beloved family especially for my dad, Ir. Arsil and my mom, Osnawati, SPt who always give me love, support and understand who I really am and trust me for everything I do. I love you more than everything in this world. I wish you two have long life and good health forever. My beloved husband, the best friends I ever have in my life. My little angel, ‘Aqeela, you are my desire. My beloved brother and sisters ; Endila Rusbina SP, Puti Umminah, and M Rizqan Ahlul Isra, the best sisters and brothers I ever have in my life. I wish you all the happiness and all the best things in your life. Do the best for your life. And I pray to Allah, may us placed in Jannah later.
2. Dr. H. Syafruddin Karimi, SE, MA, as the dean of Economic Faculty and Drs. H. Yuskar, SE, MA, Ak, as the head of Accounting Department.

3. Drs. Riwayadi, MBA, Ak as my thesis advisor. Thank you for the time, guidance, patience, motivation, and everything that you do to help me to finish my thesis, starts from thesis proposal until comprehensive examination. All of your help was so meaningful to me that I can't express my gratitude to you by words. Wish Allah will reply better.
4. DR. Yurniwati, SE, MSI, Ak as my academic advisor. Thank you for the time, guidance, patience, motivation, and shoulder when I cried. Thank you for everything so I can finished my academic.
5. Drs. Amsal Djunid, MBuss, Ak and Suhernita, SE, M For, Acc, Ak as my thesis examiner. Thank you for your suggestions and corrections for this thesis.
6. All of English class of 2004 and Accounting class of 2004, it was a great time to spent my lecture time with you all friends
7. For my last 04 friends; Yuli, Lidya, Ranti, dan Eqi. Thank you for support and book that lend to me. Pepen for advice, guidance and support, thank you much.
8. All of English class of 2004 and Accounting class of 2004, it was a great time to spent my lecture time with you all friends.

Last but not the least, many great thanks to other parties that can't be mentioned above, all of your helps are very meaningful to me. May God will reply better. Amien.

Padang, Juni 2011

Writer

CONTENTS

THESIS APPROVAL LETTER	i
ABSTRACT	ii
ACKNOWLEDGEMENT	iii
CONTENTS	v
TABLES	vii
CHAPTER 1 INTRODUCTION	
1.1 Background	1
1.2 Problem Definition	8
1.3 Objectives of the Research	9
1.4 Significance Study	9
1.5 Writing Systematic	10
CHAPTER 2 THEORETICAL FRAMEWORK	
2.1 Corporate Social and Environmental (CSER).....	11
2.1.1 Definition of Corporate Social and Environmental.....	11
2.1.2 Corporate Social and Environmental (CSER).....	13
2.1.3 Benefit Implementation of Corporate Social and Environmental (CSER) Disclosure	15
2.1.4 Models and The Shape of Corporate and Social Responsibility (CSER) Disclosure in Indonesia	18
2.1.5 Views of Law No. 40, 2007 against Corporate Social and Environmental Responsibility (CSER).....	21
2.1.6 Measurement of Corporate Social and Environmental Responsibility(CSER)	23
2.2 Stock Market in Indonesia.....	28
2.2.1 Stock	29
2.2.2 Factor Affecting Stock Price	33
2.2.3 Trading Volume Activity	36
2.2.4 The effect of information on price changes and trading	

Volume activity to market efficiency	37
2.3 Review of Previous Research.....	39
2.4 Research Hypothesis	43

CHAPTER 3 RESEARCH METHODOLOGY

3.1 Research Design	44
3.2 Population and Sample	44
3.3 Variable Measurement	45
3.4 Data Gathering Method	48
3.5 Data Analysis	49

CHAPTER 4 DISCUSSION AND ANALYSIS

4.1 Sample Overview	52
4.2 Statistical Descriptive.....	53
4.3 Hypothesis Testing	56
4.3.1 Analysis of affect CSER to stock price changes	56
4.3.2 Analysis of affect CSER to trading volume activity	57
4.3.3 Coefficient Determination Test.....	58
4.3.4 T-Test	60
4.4 Discussion	61

CHAPTER 5 CONCLUSIONS

5.1 Conclusions	66
5.2 Research Limitation	67
5.3 Research Implication.....	68
5.4 Suggestion	69

REFERENCES	viii
-------------------------	-------------

APPENDIXES

TABLES

Table 4.1 List of Company.....	52
Table 4.2 Annual CSER index.....	53
Table 4.3 Annual CSER Index of Sample.....	54
Table 4.4 Proportion Level of CSER.....	55
Table 4.5 Regression of Stock Price.....	56
Table 4.6 Regression of TVA.....	57
Table 4.7 Coefficient Determination of Stock Price.....	59
Table 4.8 Coefficient Determination of TVA.....	59



CHAPTER I

INTRODUCTION

1.1 Background

Corporate Social and Environmental Responsibility (CSER) is a claim that the company not only operates for the benefit of the shareholders, but also to the interests of other parties (stakeholders) in business practices, namely the workers, community, government, owners or investors, suppliers, consumers and the environment. Global Compact Initiative (2002) calls this understanding with the 3P (profit, people, and planet), the business goals are not only for profit, but also for the welfare of people, and ensure the sustainability of this planet (Nugroho, 2007). Companies are no longer faced with the responsibility that rests on the single bottom line, namely the value of the company which is reflected in its financial condition, but the company's responsibility should be based on the triple bottom lines. Here, other than the financial bottom lines there are also social and environmental, because the sustainability of the company will only be guaranteed if the company's attention to social and environmental dimensions (Daniri, 2008).

Economic decision-making simply by looking at the financial performance of a company, are now no longer relevant. Eipstein and Freedman (1994) in Anggraini (2006) found that individual investors interested in social information reported in the annual report. That requires a facility that can provide information on social aspects, environment and finance at once. The

ingredients are known by the name of sustainability reports. Disclosure of social performance, environmental, and economic in the annual report or separate reports are to reflect the level of accountability, responsibility, and corporate transparency to investors and other stakeholders in order to establish good relationships and effective communication about how companies have integrated corporate social and environmental responsibility (CSER) in every aspect of its operations (Darwin, 2007).

Implementation of activities to the definition of CSER in Indonesia started in early 2000. Although until now, CSER practices have not become common behavior, but in the information age and technology and the pressure of globalization, the demands on companies to run CSER greater. CSER is possible that a new obligation that must be met business standards like the ISO standard. At the end of the year 2009 is expected to be launched ISO 26000 on Social Responsibility, so that the demands of the business world becomes increasingly clear the importance of CSER program is run by a company if you want to sustainability of the company.

In Indonesia, the awareness of the necessity of protecting the environment is governed by the Limited Liability Company Law No. 40 Article 74 in 2007. In addition, the arrangement of the CSER was also listed in the Act. 25 year 2007 concerning Capital Investment (Law). Although the actual discussion of the CSER began long before the law was enacted. One of the drivers of growth that occurred in Indonesia CSER is a paradigm shift in the business world are not solely for profit, but also to behave ethically and contribute to the creation of social investment.

The CSER settings in Corporate Law Article 74 are as follows:

1. The Company is conducting its business in the field and / or related to natural resources required to implement social and environmental responsibility.
2. Social and environmental responsibility as referred to in paragraph (1) an obligation of the Company is budgeted and accounted for as expenses of the Company that implementation is done with due regard to propriety and fairness.
3. Company which does not perform the obligation referred to in paragraph (1) be sanctioned in accordance with statutory provisions.

While the settings in the Investment Law, which in Article 15 letter b is "Every investor is obliged to implement corporate social responsibility." Later in the Article 16 letter d of Law stated that "Each investor is responsible for protecting their own environment."

However, the arrangement CSER in Indonesian legislation sparked controversy and criticism. For the business person, CSER is seen as a voluntary activity so that no adjustment is necessary in legislation. On the other hand, the obligation CSER forced to do because many multinational companies operating in Indonesia out of its responsibilities in managing the environment. In addition, Corporate Regulation also causes confusion for the company. In article 74, declared that the obligation to implement CSER only apply to the company who runs the business activities related to natural resources, but Article 66 would require all of PT include the implementation

of CSER in the annual report of directors. This means, all the PT must have and implement social responsibility programs as well as reporting in annual reports. However, until now there is no provision of accounting or accounting standards CSER from the government or the Indonesian Institute of Accountants (IAI), which regulates the recognition, measurement, recording and reporting of information on social responsibility. This will complicate the reporting of such information.

Information about activities and social and environmental performance of companies (CSER) it should be presented in the financial statements, because financial statements are the media of communication or "business lens" on the financial position and performance of activities of revenue, financing, and profit-loss company in a period to stakeholders . For accounting, expenditures associated with this social responsibility should be recognized, assessed, recorded, and reported in the financial statements and are generally reported as an expense and by itself would reduce corporate profits. If connected with the process of creating an income, in fact the social costs will not have a direct relationship. However, the accounting will continue to recognize as an expense even though until now Indonesian Institute of Accountants (IAI) has not issued standards governing the accounting treatment of costs of implementation of CSER.

For the cost CSER has economic benefits for subsequent periods, the accounting treatment is as investment spending. For example, investment in environmentally friendly technology, research and development costs and other CSER. The costs that have occurred must be reported as investment

CSER. As for the cost CSER that have no economic benefits for subsequent periods, the accounting treatment is as expenditure burden (expense), periodic and directly reported in the income statement in the group operating expenses (Lako, 2008). Because the cost of social responsibility is charged to the company's costs, then eventually the cost will be included in the selling price that makes the product becomes more expensive. All social costs except the cost of procurement of facilities and social infrastructure is recognized as production costs, while the cost of procurement of facilities and social infrastructure assets capitalized to be recognized as a company (Situmeang, 2007 in Mangoting, 2007).

When examined from the provisions of the IASC (International Accounting Standards Committee) regarding Recognition of Assets (IASB 1999) which states an asset will be recognized in the balance when the asset is probable future economic benefits from those assets will flow to the company and the asset has cost or value that can be measured reliably, then the cost of sacrifice economic resources to meet social and environmental criteria for recognition as an asset in the elements of financial statements. The reason, because the sacrifices they have future economic benefits that will be obtained or flowing into the company and the item has a cost or value that can be measured through the approach to accounting measurement. Therefore, socio-environmental investment cost should be reported in the balance in a group of intangible assets. This means, the value of socio-environmental investments should be amortized into subsequent periods in accordance with its economic life.

Some companies exist that present the CSER costs as part of "Accrued expenses and provisions", there is also serving as part of "General and administrative expenses." A difference in accounting treatment of costs of CSER is caused due to the absence of accounting regulations or accounting standards or IAI CSER from the government that regulates it. Regarding reporting and disclosure CSER integral can be done with items other financial reporting. However, if it is not providing value-added significant information to stakeholders, then the reporting and disclosure shall be separate from the financial statements.

Increasing investor attention on CSER by the company to make disclosures about the activities of CSER in the annual report and sustainability reports also increases. The company will gain legitimacy by demonstrating the social and environmental responsibility through disclosure of CSER in the media included in the company's annual report (Haniffa and Coke, 2005). The same is suggested by Sayed and Wondabio (2007) which states that by applying the CSER, expected the company would gain social legitimacy and maximize long-term financial strength. This indicates that companies that implement CSER would expect a positive response by market participants. CSER disclosures in the financial statements of the company will provide value to companies that go public. Several studies have found that disclosure CSER positive effect on corporate performance and market performance. However, there are also studies which revealed that companies that disclose CSER will be responded negatively by market participants. In Indonesia, the research on corporate social responsibility accounting of the reaction of

investors is still rarely performed. Adi (2004) found that the influence of social disclosures in annual reports on the reaction of investors (in this case is described by outside normal trading volume) is less significant, meaning that investors do not make corporate social disclosure as a key benchmark of investing. Its continuation is the research that conducted by Aan (2005), that found CSER does not influence significantly on stock price change. Lutfi (2001) in Sayed and Wondabio (2007) which include social elements in variables of their research, found no significant effect of social disclosure practices by the company on stock price movements. Utomo (2000) described the patterns of social disclosure practices by public companies in its annual report. The study shows that social disclosure in Indonesia is very low, presumably utilizing the company only financial statements as a report to shareholders and not to the stake holder debt holder. Meanwhile, Almilia and Wijayanto (2007) states that companies with good environmental performance will be responded positively by investors through stock price's fluctuations is increasingly rising from period to period.

CSER issues being raised about today and inconsistencies over the background of this research with the hope to give a stronger result. An information can be said to have value in order for investors to react if such information to conduct transactions on the capital market. It can be seen through in changing stock prices and trading volume activity.

Bandi and Jogiyanto (2000:212) concluded that the reaction of prices and trading volume reaction occurs statistically dependent, in which stock trading volume reaction dependent on the reaction of stock prices, and the relationship

between price and trading volume reaction closer to dependency than the closeness of their relationship. Results this research is consistent with research Bamber and Cheon (1995) concluded that the difference of reaction (change in trading volume and price changes) that significant of an event (report) accounting. Information held by investors, including information about CSER contained in annual reports and sustainability reports should affect the reaction of investors who can be seen from the change in stock price. This research is a replication of previous research that has been done by Aan Wirasatri (2005) by adding the difference lies in the research variables and the period of study. The variables that used in previous studies are stock prices change on 2007-2009. In this study, the authors examine the effect of disclosure CSER on investor reaction as measured by stock price changes on 2007-2010 and trading volume activity on 2007-2010 that can be seen at its volume trading. The sample used in this study were companies listed in Indonesia Stock Exchange in 2006-2010 from which publish sustainability reporting that consistent and complete to disclose the CSER on Sustainability reporting.

1.2 Problem Definition

Based on the above background, the issues will be discussed in this study are:

1. How Corporate Social and Environmental Responsibility's (CSER) disclosure practices in Indonesia.
2. How disclosure of Corporate Social and Environmental Responsibility (CSER) against the reaction of investors at stock price changes?
3. How disclosure of Corporate Social and Environmental Responsibility (CSER) against the reaction of investors at trading volume activity?

1.3 Research Objectives

This study aims to determine:

1. Disclosure practices of Corporate Social and Environmental Responsibility (CSER) in Indonesia.
2. Effect of disclosure of Corporate Social and Environmental Responsibility (CSER) on investor reaction at stock price change.
3. Effect of disclosure of Corporate Social and Environmental Responsibility (CSER) on investor reaction at trading volume activity.

1.4 Significance of The Study

This research is expected to provide benefits to many parties, among others:

1. For companies, is expected to contribute ideas about the importance of social responsibility and environmental companies that disclosed in the sustainability report and as a consideration in Policy-making Company to further increase the concern for the social environment.
2. For the writer and reader, is expected to add insight about the development of social accounting, social and environmental accountability, and disclosure.
3. For investors, is expected to give a new discourse in considering those aspects that needed to be taken into account in investment that is not fixated on monetary measure.

4. For community, will provide stimulus to proactively as controller of corporate behaviors and to further improve public awareness of rights that must be obtained.
5. For regulatory agencies / standards, such as Bapepam, IAI and others, the results of this study can be used as consideration for the preparation of social accounting standards as an input in improving the quality of existing standards and regulations.

1.5 Writing Systematic

The writing systematic of this research comprises five parts. The first chapter describes background, problem definition, research design, research purpose and benefit and also writing systematic. The theoretical framework in the second chapter consist of the meaning of the variable that used in this research and the hypothesis of the research.

The research methodology including the research design, scope of the research, data resources and population and sampling method are review in the third chapter. The analysis of the research results and other factors that could influence the findings applied in the fourth. And the fifth part presents the conclusions, limitations and suggestions of this research.

CHAPTER II

THEORITICAL FRAMEWORK

2.1 Corporate Social and Environmental Responsibility (CSER)

2.1.1 Definition of Corporate Social and Environmental Responsibility (CSER)

Corporate social and environmental responsibility (CSER) has several definitions as follows:

- a. According to The World Business Council for Sustainable development (WBCSD), Corporate Social and Environmental Responsibility (CSER) is defined as a business commitment to contribute to sustainable economic development, through cooperation with employees and their representatives, their families, local communities and the general public to improve the quality of life in a way that is useful either for your own business or for development.
- b. According to Law no. 40 of 2007 concerning social responsibility and environmental, social and environmental responsibility (CSER) is defined as a firm commitment to support the development of resistance in order to improve the quality of life and environment that can benefit the company and society.
- c. According to the Online Encyclopedia, Wikipedia (2008), social and environmental responsibilities of companies (CSER) is a concept

that organizations, especially (but not only) companies are having a responsibility towards customers, employees, shareholders, communities, and environment in all aspects of company operations.

d. According to ISO 26000, social and environmental responsibilities of companies (CSER) is translated as an organizational responsibility for the impact of decisions and activities on society and the environment, through transparent and ethical behavior, that:

1. Consistent with the sustainable development and social welfare
2. Taking into account the interests of our stakeholders
3. In accordance with applicable law and consistent with international norms
4. Integrated in all activities of the organization, in this sense includes both the activities, products or services

Thus, it can be concluded that social responsibility and corporate environmental or corporate social and environmental responsibility (CSER) is a corporate responsibility towards customers, employees, shareholders, communities, and environment in all aspects of the company's operations over the impact of decisions and activities. The concept of Corporate Social Responsibility and Environmental responsibility involves partnerships between government, non-governmental organizations (NGOs) and local communities (local). This partnership is not passive and static. This partnership is a shared responsibility among stakeholders socially areas.

2.1.2 Corporate Social and Environmental Responsibility (CSER)

Business people or businesses can apply the CSER to the interested parties or stakeholder's organization, the natural environment, and social welfare (Ardana, 2008). Several business organizations to know their responsibilities in these sectors and tried seriously to achieve it, while others emphasize only one or two areas only. In addition, also not a few organizations that did not know and did not want to offend about it.

1. Stakeholder Organization

Stakeholders are those organizations and institutions directly affected by the practices of certain organizations and have an interest in the performance of the organization. Most businesses are struggling to be responsible towards stakeholders to concentrate and focus on three components, i.e., customers, employees and investors. It was only then select other relevant stakeholders or important to the organization and try to identify their needs and hope.

Socially responsible company to the customer will try to treat them fairly, honestly and with dignity, offering quality products with appropriate price guarantee, secure the health and safety, as well as integrity and respect for their culture.

The company is socially responsible towards employees, which is a very valuable asset this can be achieved among others by treating them fairly (not discriminatory), open, dignified, sincere, making them as part of a team and appreciate their freedoms and basic needs, protect from accidents and health problems in the workplace. In addition, also

encourage and assist employees to develop skills and knowledge that are relevant and can be used elsewhere. Sensitive to the serious unemployment problem and work together with governments, employee groups, and other institutions in addressing these job losses.

To guard the attitude of responsibility towards investors through the correct application of accounting procedures, providing adequate information to shareholders about the company's financial condition, manage the organization to protect shareholder rights and investment. Also, refrain from activities that are sensitive, such as insider trading, stock price manipulation, or deliberately withhold financial data.

2 Natural Environment

The second field is not less important in the CSER is related to the natural environment. Operation of an enterprise in various sectors would have an impact on the natural environment, especially its negative impacts. Corporate responsibility towards the natural environment is manifested in the form of concern for the future of the earth. Concern is not a reflection of the importance of green Consumerism is only defending the security and comfort of today's consumers, but also for the benefit of future generations as stakeholders. Accordingly, when the operating company should wherever possible refrain from polluting the environment or the depletion of natural resources. The Company will continue to develop alternative methods, both in dealing with dirt, hazardous waste, as well as regular trash.

3 General Social Welfare

All organizations are essentially open systems that depend on the environment. Because of that dependence, then every organization needs to consider the views and expectations of society. All organizations must be responsive to community needs. This applies also to the company. Issues regarding of CSER has become an increasingly important issue because of the greater community expectations of the company. Some people believe that to treat the stakeholders and the environment with full responsibility, business organizations should also encourage the general welfare of society. Global poverty and recognition of human rights is an activity that is now frequently carried by the company, especially as related to social responsibility towards the general social welfare.

2.1.3 Benefits Implementation of Corporate Social and Environmental Responsibility (CSER)

Corporate social and environmental responsibility (CSER) will be very beneficial for the company, namely by running their operations with a perspective broader and longer, not only prioritize short-term profits. Benefits of CSER itself against businesses also vary, depending on the nature (nature) the company concerned, and difficult to measure quantitatively. Nevertheless, there are a large number of literatures showing a correlation between social and environmental performance

with financial performance. Here are some considerations in applying CSER firms (Porter, 2002 in Adrian, 2008):

1. Improving profitability

There was a positive relationship between social responsibility in business practices with profitability. Based on the study of De Paul University in 1997, the company that makes a commitment to ethical principles do better financial performance (sales / revenues) than companies that do not express a commitment to ethical principles. In addition, studies at Harvard University for 11 years found that "stakeholder-balanced" companies showed four times the rate of company growth and employee growth rate of eight times compared with companies that focus on "shareholder-only".

2. Improve operational efficiency

From time to time, environmental management to increase operational efficiency by reducing production of waste and water consumption, improve energy efficiency and in some cases, selling recyclable materials. For example, construction companies which consider the impact of their actions on the environment, social, and economic benefits, reuse of used products. This will reduce damage to the environment, reducing noise originating from the additional trucks carrying materials to the site, reducing the impact of road damage caused by overweight trucks, and reduce the cost of the client to buy the new materials.

3. Improve brand image and reputation

Preview the brand and reputation was established through the trust of stakeholders. Currently, most customers do not just consider a good and safe product. They also want to know the production process, whether socially and environmentally responsible manner. Customers tend to be loyal to a company like this. In addition to customers, governments and other regulators also appreciate and give added value (for example, reducing bureaucracy and more cooperative relationship) to companies that are socially responsible and environmentally.

4 Improve ability to attract and retain employees.

Most people want to work on the Integration of CSER activities. They are not only worried about the issue of salaries, promotions, and other things. For example, MBA attitude those are willing to accept lower wages as long as it works on companies which have a more positive social image. In addition, employees who have been recruited by this company will be more satisfied because the company cares about them.

5 Risk management

The more committed the company in doing CSER, the less they are involved in business risk. Currently, financial management of the firm has to be more vocal and assertive about their expectations regarding the evidence on corporate responsibility in order to reduce risk.

6 Having a competitive advantage

Companies that do CSER activities will make a good business sense. They'll get business opportunities, competitive benefits, and increase

the chances of management. On the other hand, companies that are not involved in the CSER would produce negative impacts on society and the environment and negative impacts on their own economic interests.

2.1.4 Models and the Shape of Corporate Social and Environmental

Responsibility (CSER) in Indonesia

According to Saidi and Abidin (2004), there are four models or patterns of CSER is generally applied by the company in Indonesia, namely:

1. Direct Involvement

The company running the program directly CSER own by organizing social activities or give up his contribution to society without any intermediary or assistance of other parties. To do this a company usually assigns one of his senior officials, such as corporate secretary or public affairs manager, or become part of official duties and public relations.

2. Through the company's foundation or charitable organizations

The company established its own foundation under the company or group intended. This model is the adoption of a common model adopted by firms in developed countries. Typically, the company provides initial funding, and routine, or endowment funds that can be used regularly for activities of the foundation. Some of the foundations established by companies such as Dharma Bhakti Astra Foundation, the Coca Cola Company, Rio Tinto Foundation, Friends of the Aqua Foundation, GE Fund.

3. Partnering with other parties

The Company maintains CSER through collaboration with social agencies or non-governmental organizations (NGOs), government agencies, universities or the media, both in managing the fund and in conducting social activities. Some social institutions or NGOs who work with companies in running CSER include the Indonesian Red Cross (PMI), Indonesian Child Welfare Foundation (YKAI), Wallets Dhuafa, government agencies (Indonesian Institute of Sciences / LIPI, MONE, MOH, MOSA) , universities (UI, ITB, IPB), the mass media (DKK Compass, We Care Indosiar).

4. Support or join a consortium

Company co-founder, became a member of, or supports a social institution that was established for specific social purposes. Compared with previous models, in addition to differ from its institutional terms, this pattern is more clearly shows the orientation and purpose of the grants the company more on "development grant". Party or consortium of such institutions trusted by companies that support them proactively seek cooperation partners from among the operational agencies and then develop a mutually agreed upon program.

The CSER shape can be described as follows (Ardana, 2008):

1. Grant (grant): with no bond funds provided by businesses to build a social investment.

2. Award (award): provision of assistance to target the business world that is credited to the general public and business environment. Usually awards in the form of a certificate and a sum of money to individuals / institutions / nursing, held within a certain time and ongoing.
3. Fund local communities (community funds): aid funds or in other forms for the local community to improve continuously the quality in their field.
4. Assistance subsidies (social subsidies) or other forms of financial aid for eligible targets to improve performance on an ongoing basis, such as grants for local workers or small business capital of an area.
5. Funding technical assistance for the target tissue is entitled to acquire knowledge and skills so as to increase productivity, such as technical assistance for small / micro form a marketing network.
6. Provision of social services like education, health, and law, play groups, orphanages, scholarships, and various other social services for the community.
7. Help small business loans with low interest rates for households, whether they live in the vicinity of business and society in general.
8. Relief assistance, the social worker industry in accordance with the needs of local communities.
9. Program for environmental development through community development (community development).

10. Provision of social compensation for people who are victims of pollution and environmental damage.

2.1.5 Views of Act No. 40, 2007 against Corporate Social and Environmental Responsibility (CSER)

Act. 40, 2007 is the latest legislation on Limited Liability Company in lieu of Act No. 1 / 1995. Changes in legislation are made considering the limited liability company in which the old law is not set explicitly about social responsibility and corporate environments. No single article of the 129 articles that regulate the CSER. Article 56 and Article 110 of Law No. 1 of 1995 vaguely touched on social and environmental responsibilities of companies (Budiarta, 2008).

Act. 40, 2007 this is the successor Act. 1 / 1995 with firmly and clearly mention the existence of social and environmental responsibility that must be borne by the limited liability company. Than 161 articles in question, there are 2 articles which regulate the environmental and corporate social responsibility (CSER), namely Article 66 and Article 74. Article 66 paragraph (2) part c states that in addition to submit financial statements, limited liability companies also obliged to report the implementation of CSER.

Described in Article 74 of the CSER especially for companies whose business in the field and / or related to natural resources, is as follows:

- (1) The Company is conducting its business in the field and / or

related to the natural resources required to implement social and environmental responsibility.

(2) Social and environmental responsibility as referred to in paragraph (1) is a corporate obligation is budgeted and accounted for as an expense, companies whose implementation is done with due regard to compliance and fairness.

(3) Of the Company which does not implement the obligations referred to in paragraph (1) be sanctioned in accordance with the provisions of the legislation.

(4) Further provisions on social and environmental responsibility regulated by Government Regulation.

Referring to the two articles in the Law No. 40, 2007, the company is no longer limited to playing around with social and environmental responsibility. In addition to submit financial statements, limited liability companies also obliged to report the implementation of CSER. For companies whose business in the field and / or related to natural resources will be subject to sanctions if it does not implement the CSER. By considering the two articles in the law a new limited liability company, the government is serious about addressing social and environmental problems. Disruption of social and environmental problems will cause losses to many parties.

2.1.6 Measurement of Corporate Social and Environmental Responsibility (CSER)

There are several things to be done by the company to be held responsible in the field of social and environmental. According Sembiring (2005), categories in CSER measurements are as follows:

a. Environmental

1. Pollution control, operations, research and development expenditures for pollution abatement.
2. A statement indicating that the operating company does not create pollution or comply with legal provisions and regulations of pollution.
3. A statement indicating that the pollution had surgery or will be reduced.
4. Prevention or repair environmental damage due to natural resource processing, such as land reclamation or reforestation.
5. Conservation of natural resources, e.g. recycling glass, metal, oil, water and paper.
6. The use of recycled materials
7. Accepting the award relates to environmental programs that created the company.
8. Designing a facility in harmony with the environment
9. Contributions to the arts that aims to beautify the environment
10. Contributions in restoration of historic buildings
11. Waste treatment

12. Studying the impact of the environment to monitor the environmental impacts of the company.

13. Environmental Protection

b. Energy

1. Using energy more efficiently in operations
2. Utilize used goods for producing energy
3. Energy savings as a recycled product
4. Discussing the company's efforts in reducing industrial Consumption.
5. Improved energy efficiency of products
6. Research that leads to increased energy efficiency of products
7. Corporate energy policy

c. Health and safety workforce

1. Reduce pollution, irritation or risk in the work environment
2. Promote labor safety and physical or mental safety.
3. Statistics of workplace accidents
4. Abiding by the rules of health and safety standards
5. Accepting the award relating to occupational safety
6. Establish a safety committee
7. Conducting research to improve work safety
8. Health service workers

e. Other labor

1. Recruitment or use of female workers / persons with disabilities
2. Percentage / number of women workers / persons with disabilities in the managerial level.
3. The purpose of the use of women workers / persons with disabilities in employment
4. Program for the advancement of women workers / persons with Disabilities
5. Workforce training through specific programs in the workplace
6. Providing assistance to the workers in the field of education
7. Establish a labor training center
8. Disclosing assistance or guidance for labor in the process of resigning or who have made mistakes.
9. Employee home ownership plan
10. Facilities for recreational activities
11. Percentage of salary to pension
12. Payroll in the company's policy
13. The number of workers in firms
14. Depth of existing managerial
15. Disposition staff (where staff are placed)
16. Number of staff, years of service and their age group
17. Labor statistics, e.g., sales per labor
18. Qualifying workers are recruited
19. Plan shares by labor ownership

20. Other profit-sharing plan

21. Information management and labor relations in enhancing job satisfaction and motivation.

22. Information labor and employment stability of the company's Future

23. Report a separate labor

24. Corporate relations with trade unions

25. Disorders and action workforce

26. Information how negotiated labor action

27. The working conditions in general

28. Corporate reorganization affecting labor

29. Hourly labor turnover

e. Products

1. Development of the company's products, including packaging

2. Overview of research and product development spending

3. Information research project to improve the product companies

4. Product safety standards

5. Making products safer for consumers

6. Conducting research on the company's product safety levels

7. Improved hygiene or health in the processing and preparation of the product.

8. Information on the company's product safety

9. Information on product quality which is reflected in the award reception.

10. The information that can be verified that the quality of products has increased (e.g. ISO 9000)

f. Community involvement

1. Donations in cash, products, services to support community activities, education and the arts.
2. Part-time employment of student / student
3. As a sponsor for community health projects
4. Assist medical research
5. Sponsors for educational conferences, seminars, or exhibitions of art.
6. Fund the scholarship program
7. Opening the company's facilities to community
8. Sponsor a national campaign
9. Supporting the development of local industry

g. General

1. Goals / company policy is generally associated with corporate social responsibility to the community.
2. Information relating to corporate social responsibility other than those mentioned above.

2.2. Stock Market in Indonesia

Basically the stock market is a market for various financial instruments can be traded long, term, either in the form of money or capital itself . Financial instruments traded in capital markets such as stocks, bonds, warrants, rights, convertible bonds, and other derivative products like options.

Capital market is a meeting between parties who have excess funds to those in need of funds by way of traded securities. Thus, capital markets can also be interpreted as the market for traded securities generally have more than one year of age, such as stocks and bonds. While the place where the securities transaction called the stock exchange. Therefore, the stock exchange market is the meaning of physical capital.

In a narrow sense, the stock market is a market that used to trade stocks, bonds and other securities of using brokerage services.

In the capital market law in 1995, understanding the capital markets more specifically defined as an activity concerned with the public offering and trading of securities, public companies relating to the issuance of securities, as well as institutions and professions associated with a law-exchange. Mentioned in the article, legislation also that the stock exchange is the party that organizes and provides a system and a means to bring together supply or purchase of securities of other parties to trade securities among themselves.

Capital markets provide a large role for the economy of a State because the capital markets provide two functions, economic functions and financial

functions. Market Functions are said to have economic capital because the capital markets to provide facilities or vehicles of interest that bring together two parties who have excess funds (investors) and the parties requiring funds (issuer). With the capital markets, firms can obtain fresh funds through the sale of shares of society through the procedure IPO (Initial Public Offering) or debt securities (bonds). Capital market is said to have financial functions, because the capital market provides the possibility and the chance to gain benefit (return) to the owner of the funds, according to the characteristics of the selected investment. In the capital market law in 1995, understanding the stock market more specifically defined as an activity concerned with the public offering and trading of securities, public companies relating to securities issuance, as well as institutions and professions related to the effect. In article 1 of the bill also noted that stock exchanges are the party that organizes and provides a system and / or facilities for securities trading deals to bring other parties to the trade effects between them.

So, hopefully with the capital markets into alternative financing for companies to increase corporate revenue and ultimately provide prosperity in the wider community.

2.2.1 Stock

Stock can be defined as proof of ownership of a corporation or limited liability company by a person or entity that is realized on a piece of paper stating that the owner of the paper is the owner of the

company that issued the securities whose ownership of equity invested in the company.

Shares as proof of ownership has some juridical characteristics, among others:

- 1) Limited risk, accountable only to stockholders at an amount included in the company.
- 2) Unlimited control, direction and goals of the company's shareholders will be determined by jointly through the General Meeting of Shareholders.
- 3) Residual Claim, stockholders as a party that has the lowest position compared to the bond holders and creditors when the company doing the distribution of results of operations of the company (realized through dividends) and the remaining assets of the company when the liquidation process done.

Shares as securities commonly known to the public can be divided into several types by category:

- 1) Seen from the ability in rights or claims receivable
 - a. Common Stock

Represents shares that position the holder at the lowest position when the company doing the distribution of dividends and waste of corporate assets in the event of liquidation.

Beyond the existing restrictions in the articles of association, there are certain basic rights to which every holder of ordinary

shares. These rights are as follows:

- a) Provide a voice in the election of directors and certain policies of companies such as management compensation plan or a large corporate acquisition.
- b) To maintain the proportion of share ownership in a company through the purchase of additional common stock if and when shares are issued.

b. Preferred Stock

Represents the stocks that have combined the characteristics of common stock with the debt bonds. Property rights that holders of preferred shares are disposed of as follows:

- a) Right to vote
- b) Voting rights may be granted in certain circumstances to any preferred stock issued.
- c) Profit sharing

Dividends received by holders of preferred stock is usually fixed amount.

Protection (privilege) owned by holders of preferred stock as compared to ordinary shareholders is:

i) Preference dividends

Holders of preferred stock are entitled to receive all cash dividends prior to any cash dividends distributed to common stockholders.

ii) Preference upon liquidation

If the bankruptcy of the company, holders of preferred stock takes precedence in terms of investment return fully, before the ordinary shareholders are paid.

2) By way of transitional

a. Bearer stocks

Represents stock owner's name was not written so that anyone who holds the shares it is the owner and to attend the General Meeting of Shareholders and bearer shares are easily transferable.

b. Stock in the name (registered stock)

Stocks are an owner's name written on the stock and the transition through certain procedures.

3) Related to the trade performance

a. Blue chip stocks

Represents common stocks from trading a highly reputable, leader in the industry, stable income, and consistently pay dividends.

b. Income stock

Represents shares of companies with the ability to pay dividends is higher than average dividends paid on the previous year. Usually these companies are able to create a higher income and regular cash dividend.

c. Growth stock (well know)

Represents shares of companies with high revenue growth and leader of similar industry that has high performance.

d. Speculative stock

Represents the stock where the income earned not stable from year to year but have the possibility to earn high income in the years to come, although not certain.

e. Counter-cyclical stock

Represents shares that their performance is not affected by macroeconomic conditions and the general business situation and usually produces a very and always needed by the community.

4) Based on the nominal value

a. Par-value stock

That stock has a par value of shares listed on the certificate.

b. Stated value stock

That stock has no nominal value and set value.

2.2.2. Factors Affecting Stock Prices

Stock prices are always changing every day. Even every second even stock price can change. Therefore, investors should be able to consider the factors that affect stock prices. In setting prices of shares in the primary market, the main consideration factor must be considered, particularly concerning things that influence in determining the value of a company, among others:

1. Potential earning in the future
2. Reflect in the company's financial projections. If the projections show a huge income potential, then investors will be willing to pay a higher price.

2. Company's net asset value

Represents the value of all assets which have net assets based on recent research reduced by all liabilities of the company, whether in books or that may arise in the years to come.

3. The company's ability to pay dividends in the past and in the present.

If the new company was first to issue and the company has not so well known by the public, then the initial price should be set lower than the price of securities of similar companies that go public earlier.

Factors that affect stock prices, among others:

- a. Fundamental factors, namely sales, sales growth
- b. Technical factors, namely the development of the exchange rate, volume and frequency, and frequency of transactions
- c. Social environmental factors, economy and politics, namely inflation,
- d. Monetary policy, economic conditions, political situation and so forth.

Return an investor benefits from the investment. Return to the realization of return or return expectations. Return the realization of a return which has been calculated based on historical data. Return realization is important because it is used as one measure of performance

of companies and as a basis for determining the expected returns to measure risk in the years to come. While the expectation of return is the expected return will be earned by investors in the years to come, so nature has not occurred.

Investors investing objective is to maximize return, without forgetting that it faces the risk of investment. Return is also one factor that motivates investors to invest and also a reward for courage investors bear the investment risk on doing. Return allows investors to compare the actual profit with the expected profit in the future that comes from equity investment.

Return consists of two components, namely:

a. Yield or current income

Is a component of return that reflects the cash flow or earnings be periodically obtained from an investment. Yield is the dividend stock investment.

b. Capital gains (losses)

Increase or decrease the price of a security (stock) that can provide profit or loss for investors.

View its relationship with information CSER, return that to the attention of many parties is the return derived from capital gains around the announcement date. CSER Information contains information if the market reaction after the announcement was received by the market. This market reaction may be measured by the abnormal return earned by

investors. Conversely, if the information CSER have no information, then there is no abnormal return is happening.

2.2.3 Trading Volume of Activity (TVA)

Measure the liquidity of shares done by looking at the Trading Volume Activity (TVA). Trading Volume Activity (TVA) is an instrument that can be used to view the market reaction to information through the parameters of movement activity in the stock market trading volume. It is because the TVA is directly proportional to the liquidity of shares. Stock liquidity is the ability to buy and sell securities with quickly with the price not too different from the previous price (Sri Handaru, 1996).

Illiquid stock is stock that is easy to become or be exchanged with money, so that the higher the value of TVA a stock has a meaning that a stock can be sold easily because many are willing to buy the stock so that stock is easily converted into cash. The trading volume of shares is the number of shares traded in the capital market that useful information for investors in view the state of the market where the higher the trading volume of a stock, the higher the level of liquidity of these shares.

TVA calculation can be calculated by comparing the number of shares traded during a certain period with total shares outstanding during the same period. TVA approach can also be used to determine the efficiency of a market. This is because the market is not efficient or efficiency in weak form, changes in stock prices immediately reflects the

information available. Tests on the reaction of the market through more trade indicators associated with the testing of market efficiency hypothesis. An efficient market will be reflected in prices quickly adjust to new information and realized by changing the volume of trading.

2.2.4. The effect of information on price changes and trading volume activity to Market efficiency

The concept of market efficiency discussed how markets respond to incoming information and how that information could subsequently affect the securities price movements towards the new equilibrium price. From an investment standpoint, efficiency means that market prices already reflect all information made available. This means that an efficient market is the market where the prices of all traded securities that already reflect all available information. Formed a new equilibrium price is a response to new information coming into the market.

There are several conditions that must be met to achieve an efficient market, namely:

1. There are many investors are rational and seek to maximize profits. Investors are actively participating in the market by analyzing, assessing and stock trading. In addition, they are also a price taker, so the action of one investor alone will not be able to affect the price of securities.
2. All market participants can obtain information at the same time the easy way.

3. Information that happens is random.
4. Investors react quickly to new information, so that security prices will change according to changes in real value due to the information.

How the market reacts to information to reach a new equilibrium price is important. If the market reacts quickly and accurately to achieve a new equilibrium price that fully reflects the information available, the market condition is called the efficient market. Efficient market is called with information efficiently market that is how the market reacts to the information available. To facilitate research on market efficiency, Farma in 1970, classify the form efficient market in three efficient market hypothesis, namely:

1. Efficient in weak form

Weak form efficient market means that all information in the past will be reflected in the price that is formed now. Therefore, such historical information (such as price and volume in the past) no longer can be used to predict price changes in the future, as already reflected in current. The implication is that investors will not be able to predict the stock market value in the future by using historical data, as is done in technical analysis.

2. Efficient in semi strong

Efficient market in the form of half-strength is a form of market efficiency that is more comprehensive because in this form in addition to the stock price is influenced by market data (stock

price and trading volume the past), is also influenced by all the information published. At half-strong form efficient market, the investor can not expect the abnormal returns when trading strategies are carried out only based on the information already published.

3. Efficient in Strong form

Market in strong form means all information whether published or not published already reflected in current securities prices. In this strong form of efficient form aka not an investor who can earn any abnormal returns

In 1991, Fama suggested improvements on the classification efficiency of these markets. Efficiency of weak enhanced into a classification that is common to test the predictability of return. Whereas the half strong form efficiency and strong form efficiency is converted into event study, and testing the strong form market efficiency tests referred to as private information.

2.3. Review of Previous Research

Application of CSER has many benefits for the company. Research on CSER has also done a lot. Some researchers believe that a good implementation of CSER will encourage companies to make better performance, in terms of increase sales, build image, and improve employee morale.

Research that describes how the information content of annual reports, which not only in the form of financial information but also non-financial information contained in the company's voluntary disclosure, may affect the investment community in decision making. Botosan (1997) in Adi (2004) conducted a review of 122 manufacturing companies in the U.S. which proves that there is a negative relationship between the extensive voluntary disclosures with the cost of capital securities. Spicer (1978) in Sayed and Wondabio (2007) examined the association between the investment value of the shares of the company and corporate social performance. Spicer (1978) finds empirical evidence that showed a significant association between the two although the association rate decreases from year to year. The result of this empirical research is consistent with investors' perception that there is association between the investment value of the shares of the company and its social performance.

Research Balabanis, Phillips, and Lyall (1998) in Dahlia (2008) states that CSR disclosures is positively associated with firm financial performance (gross profit to sales ratio / GPS), but negatively related to return on capital employed (ROCE). Other results are more contrast is that the stock market reaction to corporate financial performance (GPS) that perform well CSR disclosures is negative, so the disclosure of CSR is considered more useful for other stakeholders. Utomo (2000) tried to describe the practice patterns of social disclosure by public companies in its annual report. The study shows that social disclosure in Indonesia is relatively low, presumably because the

companies only use the financial statements as a report to shareholders and not to the stakeholder's debt holder.

Lutfi (2001) in Sayed and Wondabio (2007) began to do research to include social elements as variables research found no significant effect of social disclosure practices by the company on stock price movements. While research Zuhroh et al (2003) in Sayed and Wondabio (2007) found that social disclosures in annual reports of companies that went public influence on trading volume of shares for companies listed in the category of high-profile. This means that investors have started to respond with a good social information presented in corporate annual reports. The more widely social disclosures by the company in the annual report was to give effect to the company's stock trading volume in which there was a big trade at around report annual publication.

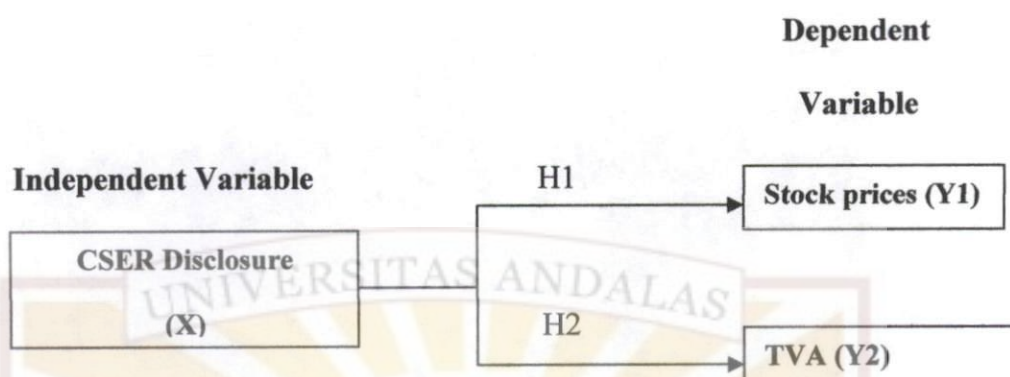
Anggraini (2006) examined the social information disclosure and the factors that influence social disclosure in annual reports (empirical studies on companies listed on the JSE). He stated that companies with large ownership and management, including in industries that have a high political risk (high profile) tend to disclose more social information than other companies. Almilia and Wijayanto (2007) also conducted research on the influence of environmental performance and environmental disclosure on economic performance. Almilia and Wijayanto (2007) found that companies with good environmental performance will be responded positively by investors through stock price fluctuations are increasingly rising from period to period.

Adi (2004) conducted research on social disclosures in annual reports on the reaction of high-profile investor in companies listed on the JSE. Research results show that the influence of social disclosure on investors' reaction (in this case is described by outside normal trading volume) is less significant, meaning that investors do not make corporate social disclosure as a key benchmark of investing. So do Aan (2005) research, the research is show that there is less significantly between CSER disclosure with stock prices change. However, research conducted by Hill et al (2007) in Daniri (2008) give an idea that supports the implementation of CSR as part of its business strategy. Hill et al did a study of several companies in the United States, Europe and Asia who practice CSR and then connect it with the measured value of company share value of such companies. Their study found that after controlling for other variables, these companies are doing in the long run CSER will experience a significant increase in share value, compared with companies that do not perform CSER practices.

Sahyda (2009) conducted research on the effect of disclosures on stock price movements CSER public company listed on the Indonesia Stock Exchange by using the PER and PBV as control variables. Results CSER research states that disclosure in annual reports a positive effect on stock price movements in mining and manufacturing companies. CSER disclosures in annual reports do not have any significant correlation with changes in stock prices. In other words, CSER disclosures in annual reports is not the most decisive factor changes in stock prices.

2.2.4 Research Hypothesis

The research hypothesis can be described as the following diagram:



Dini Hari (2006) defines a hypothesis as a logical relationship that is estimated at between two or more variables expressed in the form of statement that can be tested. In making investment in capital markets, whether in stocks, bonds, or other forms of investment, the rational investor is generally carried out a series of analysis about the investment that will do. The annual report will be one reference material to investors and prospective investors in deciding whether to invest in a company or not. Level of disclosure (disclosure level) given by the management including the disclosure of CSER company will have an impact on investor reaction as indicated by the change in stock price and trading volume activity, and financial performance that proxies with ROI. Total items CSER is expected to be disclosed by the company's high profile (the company that its operations closely related to social and environmental issues) in its annual report totaled 78 items.

Thus, the hypotheses in this study are:

H1: CSER affects the stock price changes significantly

H2: CSER affects the trading volume activity significantly

CHAPTER III

RESEARCH METHODOLOGY

The objective of chapter III is to explain the research methodology that is used in this research. This chapter explains the research design; population and sample, variable of this research include independent variables, dependent variable, and control variables. At the end, this chapter explains the data analysis method.

3.1. Research Design

This research is quantitative research that is designed to empirically test the hypothesis by using simple regression model . This study illustrates how the influence of independent variables (CSER disclosure) to the dependent variable (change in stock price and trading volume activity) with the help of regression analysis Statistical Programmed For Social Science (SPSS). Research was conducted on all companies listed in Indonesia Stock Exchange from 2006-2009 that published Sustainability Reporting.

3.2. Population and Sample

1. Population

The populations in this study are all companies listed in Indonesia Stock Exchange (IDX) of the years 2006-2010 that published their Sustainability Report. The reason that researcher use this report is because the Sustainability Report is more complete and focused than annual report to report their social and environmental report.

2. Sample

The samples used in this study were selected by using purposive sampling methods, that sample is not random in order to obtain a representative sample in accordance with the specified criteria. Sample criteria used are:

1. The company issued sustainability report from the year 2006 – 2009
2. Selected companies actively traded shares during the study period.

From those criteria, the researcher gets 7 companies in Indonesia that sustain in reporting the sustainability report.

3.3. Variable Measurement

The variables used in this research are independent variable and dependent variable.

1. Independent Variables

Independent variables in this study were information and Environmental corporate social responsibility (CSER) contained in sustainability reports. Disclosure of CSER is measured by Corporate Social Responsibility and Environmental (CSER) index.

Haniffa et al (2005) used content analysis to measure the CSER index. Content analysis is a method commonly used by researchers in previous studies of CSER. Lindenmann (1983) in Sembiring (2005) describes content analysis as a tool to retrieve the message delivered as part of the communication process, coding, and

classifies them appropriately and as objective as possible, then summarize and explain it quantitatively.

CSER index measurement tools used in this study are based on the instrument proposed by Sembiring (2005), which classified information CSER into several categories, namely environmental, energy, labor, product, community, and the public. Total items presented ranged from 63 to 78 items depending on the industry relevant company.

CSER index calculation is done by using the dichotomy approach, each item CSER in research instruments were given a value of 1 if disclosed and the value 0 if not disclosed (Haniffa et al, 2005). Furthermore, the score of each item summed to obtain the overall score for each company. CSER index calculation formula is as follows:

$$\text{CSER index}_j = \frac{\sum X_{ij}}{n_j}$$

Where:

CSER index_j : corporate social responsibility index of firm j

n_j : total item firm j, n_j ≤ 78 (items disclosed in Sustainability Report)

X_{ij} : dummy variable: 1 = if item i disclosed
0 = if item i not disclosed

2. Dependent Variable

Dependent variable of this study is the stock price and trading volume activity. The price of shares to be used is the stock price at the end of each month

(closing price) after the publication of corporate reports during the study period, namely from the years 2007-2010. In this paper the reaction of investors is reflected by changes in relative stock prices and trading volume activity that proxies with changing in volume trading.

2.1. The calculation of the relative stock price change is done by:

1) Calculation of change in stock price used monthly stock price relative.

Formulation calculation is as follows:

$$DP_{ib} = \frac{P_{ib} - P_i(b-1)}{P_i(b-1)}$$

Where:

DP_{ib} = relative change in the company's stock price at the time b i

P_{ib} = stock price of company i at month b

P_i(b-1) = stock price of company i in b-1

2) Calculation of relative changes in annual stock price.

After calculating the monthly relative change is completed, the next was calculated annual change in stock price. Formulation calculation is as follows:

$$DP_{it} = DP_{ib1} + DP_{ib2} + \dots + DP_{ib12}$$

where:

D_{pit} = relative price of the company's annual stock i

$DP_{ib1}, DP_{ib2}, \dots, DP_{ib12}$ = monthly stock price movements i company

2.2. To calculate Trading Volume Activity (TVA) use the following formula that stated by Beaver (1968):

$$TVA_{it} = \frac{\text{number of shares of firm } i \text{ trade in time } t}{\text{number of shares of firm } i \text{ outstanding in time } t}$$

After that, we estimate the average of volume trading activity as a whole that stated at:

$$\bar{x} = \frac{\sum TVA}{n}$$

Where:

\bar{x} = average of relative trade

$\sum TVA$ = number of relative trade

N = total sample

3.3 Data Gathering Method

This research was conducted using secondary data. The secondary data is a source of research data obtained by investigators indirectly through an intermediary (Indriantoro and Supomo, 1999). The data that will be used in this research is quantitative data which consisted of:

1. Data CSER disclosures in the site and report

www.idx.co.id sustainability (sustainability report) of the site of the sample firm.

2. Stock price data and volume of trading stock during the observation period is obtained from the Indonesian Capital Market Directory (ICMD) and site www.yahoofinance.com.

Methods of data collection in this study are:

1. Literature study

The study of literature or the literature done by reading books and journal related to topic to be discussed.

2. Technical documentation

Technical of the documentation of data collection by making copies of data and duplicate records and records of financial statements of the company that became the sample.

3.5 Analysis Method

This study aims to look at the influence of CSER disclosures in corporate sustainability reporting on investor reaction. The practice of disclosure of corporate social and environmental responsibility (CSER) companies in Indonesia can be seen from the percentage of CSER index expressed in the annual report and corporate sustainability report sample from 2006-2009. CSER index is obtained by dividing the total score revealed that companies with a total of items expected to be disclosed the company.

The data is processed by using the tools program Statistical Programmed For Social Science (SPSS) and to analyze the data in this study used a simple regression analysis model. Model uses as follows:

a. CSER affect to Stock Price Change

$$Y = \alpha + bX + e$$

Where:

Y = Relative stock price change

α = Constant

β = Regression coefficients of independent variable

X = CSER index

e = other variable that are not identified

b. CSER affect to trading volume activity

$$Y = \alpha + bX + e$$

Where:

Y = Changing in volume trading

α = Constant

β = Regression coefficients of independent variable

X = CSER index

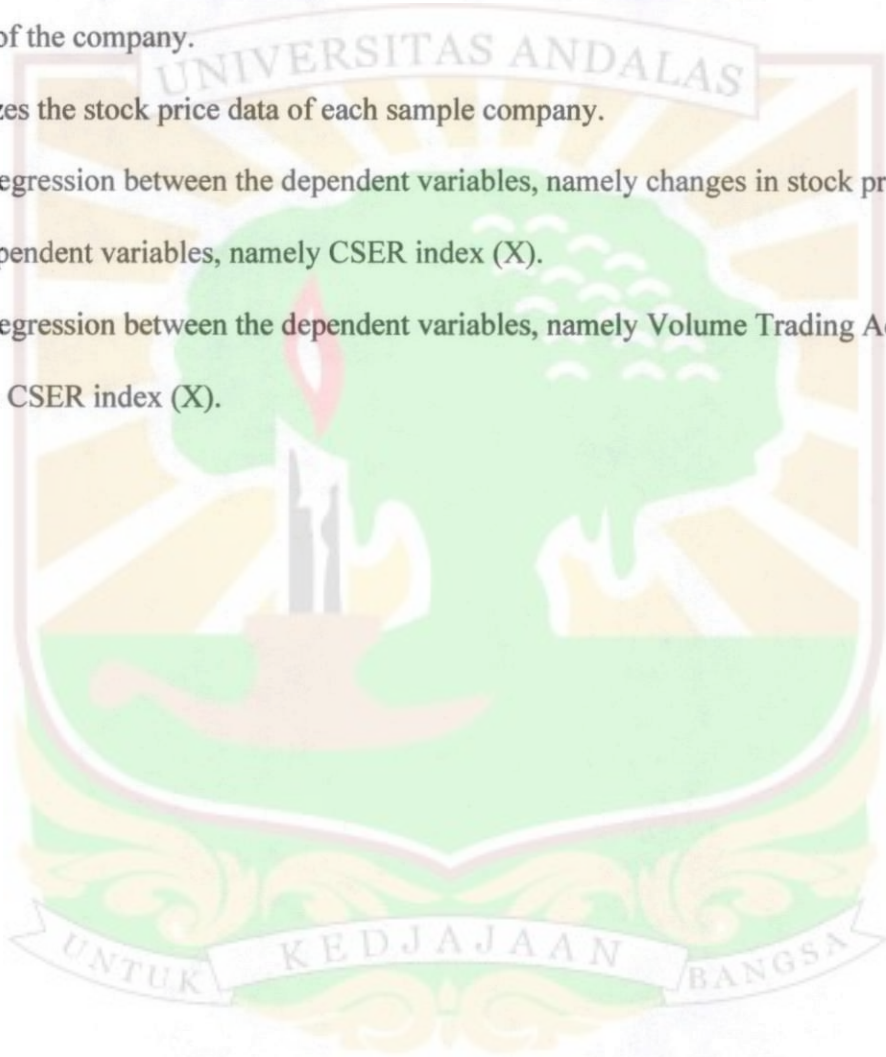
e = other variable that are not identified

The steps undertaken in processing data are as follows:

1. CSER disclosures summarize using the approach of each item CSER dichotomy in the

research instruments were given a value of 1 if disclosed and the value 0 if not disclosed.

2. Summing the scores of each item to obtain an overall score for each company.
3. Counting the CSER index by dividing the total score given to a company with a score that is expected to be obtained of the company with a score that is expected to be obtained of the company.
4. Summarizes the stock price data of each sample company.
5. Perform regression between the dependent variables, namely changes in stock price (Y1) with independent variables, namely CSER index (X).
6. Perform regression between the dependent variables, namely Volume Trading Activity (Y2) with CSER index (X).



CHAPTER IV

DISCUSSION AND ANALYSIS

4.1 Sample Overview

This research was conducted to measure the influence of independent variables, CER disclosure, to dependent variables described by changes in stock prices. The object of this study is the companies that listed in Indonesia Stock Exchange (IDX) from the years 2006-2010 which publishes sustainability reports during the study period. Based on the criteria established, it is acquired seven high profile companies which qualify as samples in this study. List of companies sampled are presented in Table 4.1

Table 4.1

List of Company

No	Code	Name of Company
1	ANTM	Aneka Tambang (Persero) Tbk
2	PTBA	Tambang Batu Bara bukit Asam Tbk
3	SMCB	Holcim Indonesia Tbk
4	ASII	Astra International Tbk
5	TLKM	Telekomunikasi Indonesia (Persero) Tbk
6	TINS	Timah (Persero) Tbk
7	MEDC	Medco Energi International Tbk

Source: Indonesian Capital Market Directory 2009

4.2 Statistical Descriptive

Descriptive statistics in research is fundamentally a process of transformation of research data in the form of tabulation, so easily understood and interpreted. Descriptive statistical analysis was used to determine trends of CSER disclosures in companies' sustainability reports. In this study, the authors use 87 disclosure items of CSER (see page 23) which consists of 7 categories, namely environmental category (13 items), energy (7 items), health and safety (8 items), other labor (29 items), product (10 items), community involvement (9 items), and general (2 items). From the results of calculations of CSER index, average CSER disclosures in annual corporate sustainability report is shown in table 4.2 below.

Table 4.2
Annual CSER Index

No		Min	Max	Mean
1	CSER in 2006	0.6538	0.7692	0.7161
2	CSER in 2007	0.7308	0.8077	0.7619
3	CSER in 2008	0.74359	0.8205	0.7820
4	CSER in 2009	0.75641	0.8333	0.7948

Source : Own calculation

Based on Table 4.2 above, it can be seen that the average CSER disclosures in sustainability reports of the sample companies has increased. In general, high profile average CSER index increased from 71.61 % (maximum index = 1) in 2006 to 76.19% in 2007 and then increased to 78.2% in the year 2008 and 79.48% in 2009. The lowest disclosure is 65.38% in year 2006 and the highest is 83.33% in year 2009. This

indicates that the company is not only the interests of shareholders alone, but also very concerned about the interests of stakeholders.

Furthermore, each CSER disclosures in corporate sustainability reporting in annual samples are shown in table 4.3 below:

Table 4.3
 CSER Index of The Company's Sample

No	Code	Name of The Company	Indeks CSER			
			2006	2007	2008	2009
1	ANTM	Aneka Tambang (Persero) Tbk	0.7436	0.8077	0.8205	0.8333
2	PTBA	Tambang Batu Bara Bukit Asam Tbk	0.6795	0.7692	0.7948	0.8077
3	SMCB	Holcim Indonesia Tbk	0.7692	0.7821	0.7948	0.8077
4	ASII	Astra Internasional Tbk	0.7436	0.7692	0.7948	0.8077
5	TLKM	Telekomunikasi Indonesia (Persero) Tbk	0.6538	0.7308	0.7692	0.7802
6	TINS	Timah (Persero) Tbk	0.7051	0.7436	0.7692	0.7949
7	MEDC	Medco Energi International Tbk	0.7179	0.7308	0.7692	0.7564

Source: Own calculation

Based on table 4.3 above, can be seen more clearly CSER index each sample companies per year. In particular, CSER disclosures in corporate sustainability reports also increased from year to year. Disclosure CSER the highest in 2006 disclosed by Holcim Indonesia Tbk is equal to 0.7692 (maximum index = 1) or by 76.92%, in 2007 disclosed by Aneka Tambang (Persero) Tbk amounting to 80.77%, in 2008 disclosed by Aneka Tambang (Persero) Tbk, and in year 2009 is Aneka Tambang too that is 83.33% . Disclosure CSER the lowest in 2006 disclosed by Telekomunikasi Indonesia (Persero) Tbk amounting to 65.38% and in 2007 was 73.08% by Telekomunikasi Indonesia (Persero) Tbk

and PT Medco Energi International. In 2008, the lowest disclosed is PT Telkom, Timah and Medco at 76.92 %. But in 2009, the lowest is Medco in 75.64%. However, disclosure CSER overall was more than 75.00% of the total items that should be disclosed.

Sample companies also give different proportions for each category of disclosure, but not too many differences that occur. The average proportion of CSER disclosure levels for each category is shown in table 4.4 below:

Table 4.4
Proportion Level of Disclosure CSER at 2006-2009

No	Item that disclose	Level disclose
1	Environmental	0,7967
2	Energy	0,9082
3	Health and safety workforce	0,8661
4	Other labor	0,6404
5	Product	0,6404
6	Community involvement	0,7302
7	General	1.000

Source : Own calculation

Based on table 4.4 above, the sample firms which is make CSER disclosures most general aspects, that is equal to 1.0000 (maximum index = 1) or equal to 100%, and the proportion of the disclosure that at least on other aspects of the labor force that is equal to 64, 04%. On energy aspects of the disclosure proportion of 90.82%, for health and safety aspects of 86.61% and 79.67% for the environmental aspects, 73.02% for the aspect of community involvement, and to aspects of the product by 68.57%.

4.3 Hypothesis Testing

The hypotheses to be tested in this study are:

1. "Disclosure of corporate social and environmental responsibility (CSER) significantly affects stock price changes"
2. "Disclosure of corporate social and environmental responsibility (CSER) significantly affects volume trading"

4.3.1. Analysis of affect CSER to stock price index

Simple regression model will show the influence of CSER disclosure of changes in stock price. The effect can be seen from the value of regression coefficient. Tests on regression coefficients of independent variables were made at confidence (confidence level) of 95% and the level of significance of 5%. The result of simple regression analysis of research data are shown in table 4.5 below.

Table 4.5

Simple Regression Analysis

Coefficients(a)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.162	8.615		.599	.554
	CSER	-5.781	11.022	-.102	-.524	.604

a. Dependent Variable: Stock price

Based on Table 4.4 above, the regression equation is formed as follows:

$$Y = a + bx \Rightarrow Y = 5.162 - 5.781X$$

From the regression equation can be concluded that:

- a. The value 5.162 is a constant which states that without the influence of independent variables (CSER disclosure), the change in stock price amounted to 5.162
- b. Regression coefficient of $-5.781X$ states that any increase in CSER index for one unit will decrease the stock price change of 5.781 units.

4.3.2. Analysis of affect CSER index to trading volume activity

Simple regression model will show the influence of CSER disclosure of changes in trading volume activity. The effect can be seen from the value of regression coefficient. Tests on regression coefficients of independent variables were made at confidence (confidence level) of 95% and the level of significance of 5%. The result of simple regression analysis of research data are shown in table 4.6. below:

Table 4.6.

Simple Regression Analysis for TVA

		Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
Model		B	Std. Error	Beta		
1	(Constant)	-28.174	12.754		-2.209	.036
	CSER	38.162	16.412	.415	2.325	.028

a. Dependent Variable: TVA

Based on Table 4.6 above, the regression equation is formed as follows:

$$Y = a + bx \Rightarrow Y = -28.174 + 38.162X$$

From the regression equation can be concluded that:

- c. The value -28.174 is a constant which states that without the influence of independent variables (CSER disclosure), the change in trading volume amounted to -28.174
- d. Regression coefficient of $38.162X$ states that any increase in CSER index for one unit will increase the trading volume activity of 38.162 units.

4.3.3. Coefficient Determination (R^2) Test

The coefficient of determination (R^2) is used to view and analyze how big independent variable influences the dependent variable. The Value of *R-square* ranging from 0 to 1. The higher the *R-square* value, in this case if value of (R^2) closer to one, indicates that better model was formulated.

To explain the change of stock price can be seen at the table below:

Table 4.7 Coefficient Determination Test Table

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.102 ^a	.010	-.028	2.595489	2.274

a. Predictors: (Constant), CSER

b. Dependent Variable: Stock price

The value of (R^2) in Table 4.7 shows that the CSER index only affect the changes in stock price changes amounted to 0.01 or 1%, while the remaining 99% influenced by other factors that not included in this study. The value of (R^2) which is small means the limited ability of independent variables in explaining variation of the dependent variable. Moreover, the relationships between the two variables are not strong. It is shown by The R value of 0.102 which indicates that the relationship between the CSER indexes with stock price changes is very weak that is only equal to 0.102 or 10.2%.

To explain the change of trading volume activity can be seen at the table below:

Table 4.8 Coefficient Determination Test Table

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.415 ^a	.172	.140	3.9418084

a. Predictors: (Constant), CSER

b. Dependent variable : TVA

The value of (R^2) in Table 4.8 shows that the CSER index affect the changes in trading volume activity amounted to 0.172 or 17.2%, while the remaining 82.8% influenced by other factors that not included in this study. The value of (R^2) which is small means the limited ability of independent variables in explaining variation of the dependent variable. Moreover, the relationships between the two variables are still not strong. It is shown by The R value of 0.415 which indicates that the relationship between the CSER indexes with trading volume activity is still weak that is only equal to 41.5%.

4.3.4. T Test

T test is intended to determine whether the independent variables included in regression models may affect the dependent variable. For each independent variable, if $t \text{ test} > t \text{ table}$ or significant value $< (0.05)$, this suggests the independent variables affect the dependent variable significantly, and vice versa.

In Table 4.5, that has been shown previously the relationship between CSER and stock price change, it has -0.524 t test and significance value of 0.604. T test -0.524 is lower than t table ($t_{0.05,25}$) 20.06 and significance value 0.604 is higher than $\alpha = 0.05$. This indicates that the disclosure of CSER has no significant influence and negatively related to changes in stock price.

In Table 4.6, relationship between CSER and TVA has been shown previously, t test 2.325 is higher than t table ($t_{0.05, 25}$) 2.06 and significance value 0.028 is lower than $\alpha = 0.05$. This indicates that the disclosure of CSER has significant influence and positively related to changes in trading volume.

Based on the above analysis, it can be concluded that the disclosure of Corporate Social and Environmental Responsibility at companies do not have a significant impact and negatively related to changes in stock price. But, in the trading volume activity has significant influence and positively related. Results of this study reject the hypothesis of the study that is "The corporate social and environmental disclosure has a positive and significance influence toward stock price changes". But from the analysis of trading volume activity, this research accept the hypothesis, that is "The corporate social and environmental disclosure has positive and significant influence to trading volume activity".

4.4. Discussion

The results of Descriptive statistics provide a general picture about CSER for companies in Indonesia. The results of this study indicate that CSER disclosure in corporate sustainability report of sample companies is increasing from year to year. These results support research done by Sayekti and Wandabio (2007) which found that the company's attention on the CSER has been increased since 2004.

This study used content analysis consist of 78 items based on Situmeang model, average CSER index for the companies who becomes a sample is considered high yet compare with the year before but the changing is not significant to rise, ranging from 71.61% to 75.6%. The lower figure is due to the CSER information reported by a company, by its sustainability report, more focuses on disclosure on general such as responsibility to the people.

The calculations of CSER index to stock prices show that the CSER has -0.524 t test and significance value of 0.604, t test -0.524 is lower than t table ($t_{0.05,25}$) 20.06 and significance value 0.604 is bigger than $\alpha = 0.05$ means that the disclosure of CSER has negative and not significant relationship toward stock prices movements. Thus, in this study H1 is rejected. It can be concluded that the disclosure of CSER in companies at Indonesia are not the most decisive factors on stock price changes. In this case the investor still considered factor other than CSER disclosure as a major benchmark of investing.

In trading volume activity, the calculation show that 2.325 t test and significance value 0.028, t test 2.325 is higher than t table ($t_{0.05,25}$) 2.06 and significance value 0.028 is smaller than $\alpha = 0.05$ means that the disclosure of CSER has positive and has significant relationship toward trading volume. Thus, in this study H2 is accepted. It can be concluded that the disclosure of CSER in companies at Indonesia can be the decisive factors on trading volume activity. But, for the result of Coefficient Determination Test show that affect of the trading volume activity is not too strong, still relatively weak. It happens because there is another considered factor out of CSER disclosure for the investors to invest.

The CSER disclosure which gives a negative contribution to the change in stock price maybe is affected by low quality of CSER disclosure in sustainability. It does not mean that the more company discloses their environmental responsibility will cause a decrease in stock price, but the quality of disclosure would also be considered by investor (sahyda, 2008). Moreover, higher number of natural damage/pollution as the impact of mining companies operation could also lead a low intention for investor to invest. In

addition, the disclosure of CSER is not the only factor affecting the investors in investing their money. There are still many other factors taken into consideration by investors, such as the existing political policies, economic situation, and other important matters.

The results of this study support the results of research conducted by dahlia and veronica (2008), sahyda (2008) and wirasatri (2008) who found that the effect of social and environmental disclosure to changes in stock price is less significant, meaning that investors do not make social and environmental disclosure as a key benchmark of investing. The results of research done by Gelb and Zarowin (2000) in Dahlia (2008) also states that the disclosure in the annual report does not make stock prices more informative, because the disclosure in the annual reports do not give enough information about the company's prospects in the future. These results are also consistent with the results of research conducted by Buchhloz and Alexander (1978) in Sayekti and Wondabio (2007) stating that they found no significant relationship between CSR disclosures with the stock market. One possibility is the market response to the implementation of CSR by company can not directly influence return, but it requires a longer time.

The result of this research also consistent with the research done by Fiori, et all (2008). They found that a higher focus on CSER practices related to the Environment (such as the reduction of environmental impact and its measurement, the implementation of environmental ratios) and to the Community (such as the investment of resources in relations and initiatives with government) has a negative effect on stock price. It seems that the market has a bad perception of these practices because they are expensive. In fact, the companies have to spend money and resources in order to implement environmental

management accounting and to make them work and to establish stable relationships with government which could have positive effects in the long term. But the investors, usually showing a short term view, perceive them as a cost more than a benefit, generating a reduction of short-term profitability of the company.

Dahlia and Veronica (2008) argued that there are some factor which caused why the Corporate Environmental Responsibility Disclosure has no significant effect on stock price, they are:

- a. The issue of CSER is relatively new in Indonesia and most investors have a low perception of it.
- b. CSER disclosure quality is not easy to measure. Companies generally disclose the CSER only as part of the advertising and avoid providing relevant information.
- c. Most of investor is short-term performance oriented, while the CSER is considered influential on the medium-long term performance.

The result of this research was inconsistent with research done by al-tuwaijri (2003) and bondan, et all (2006) this is may be caused by the difference in the observation period. As proved by Hill et al (2007) in mangoting (2007) who conducted research on companies which conducts social and environmental responsibility in the United States, Europe and Asia. Hill et al (2007) examined the relationship between social responsibilities activities conducted by companies with enterprise values measured by the value of stock price. The survey found that companies that conducted social responsibility, in the short term of three to five years did not experience a significant increase in stock value, but in the long term

i.e. 10 years, companies that are committed to social responsibility has a very significant increase in stock price compared with firms that do not practice social responsibility.



CHAPTER V

CONCLUSION

This chapter provides conclusions drawn from findings and discussion presented in the previous chapter, followed by assessment of the potential limitations present in this study and possible future directions for research.

5.1 Conclusion

This research was conducted on companies that are listed in Indonesia Stock Exchange from 2006-2010 and published annual and/or sustainability reports during 2006-2009. The purpose of this study was to determine the effect of corporate social environmental responsibility disclosure (CSE) to the changes in stock price and to trading volume activity.

The sampling method used was purposive sampling method based on the criteria established in order to obtain qualified companies to test the hypothesis in this study. The data used are secondary data obtained from ICMD, www.idx.co.id, and the official website of the sample companies. Data were processed using a simple regression model with SPSS 17.0 software tool where previous to the data processing,

Based on the analysis conducted, the results obtained are

1. Disclosure of corporate environmental responsibility (CSER) in sustainability reports of the sample companies has increased each year.
2. Average CSER index of the companies who becomes a sample is higher yet, ranging from 71.61% to 75.6%.
3. Corporate Social and Environmental Responsibility Disclosure has no significant effect on the changes in stock price and the relationship between the two variables was negative.
4. Corporate Social and Environmental Responsibility Disclosure has significant effect on the trading volume activity and the relationship between the two variables was positive.

5.2 Research Limitations

Limitations of this study are:

1. This study is only conducted for four-year observation period, by using sustainability reports information in 2006 to 2009, while its stock price were taken from the year of publication of these reports, from years 2007 to 2010, so that changes in stock prices has still not shown significant difference.
2. The number of samples used in this research is relatively small because there are few companies that publish sustainability reports, because there are only a few companies that publish their sustainability reports as sustain. So this is not represent the company as a whole.

3. CSER index calculation is done by using the model that was improved by Sembiring (2005), namely the content analysis or dichotomy approach (individual items in the CER research instrument rated 1 if it is disclosed and the value 0 if not disclosed) regardless of the quality of disclosure.
4. This study uses only the relative stock price and trading volume activity movement as an indicator of stock price changes.

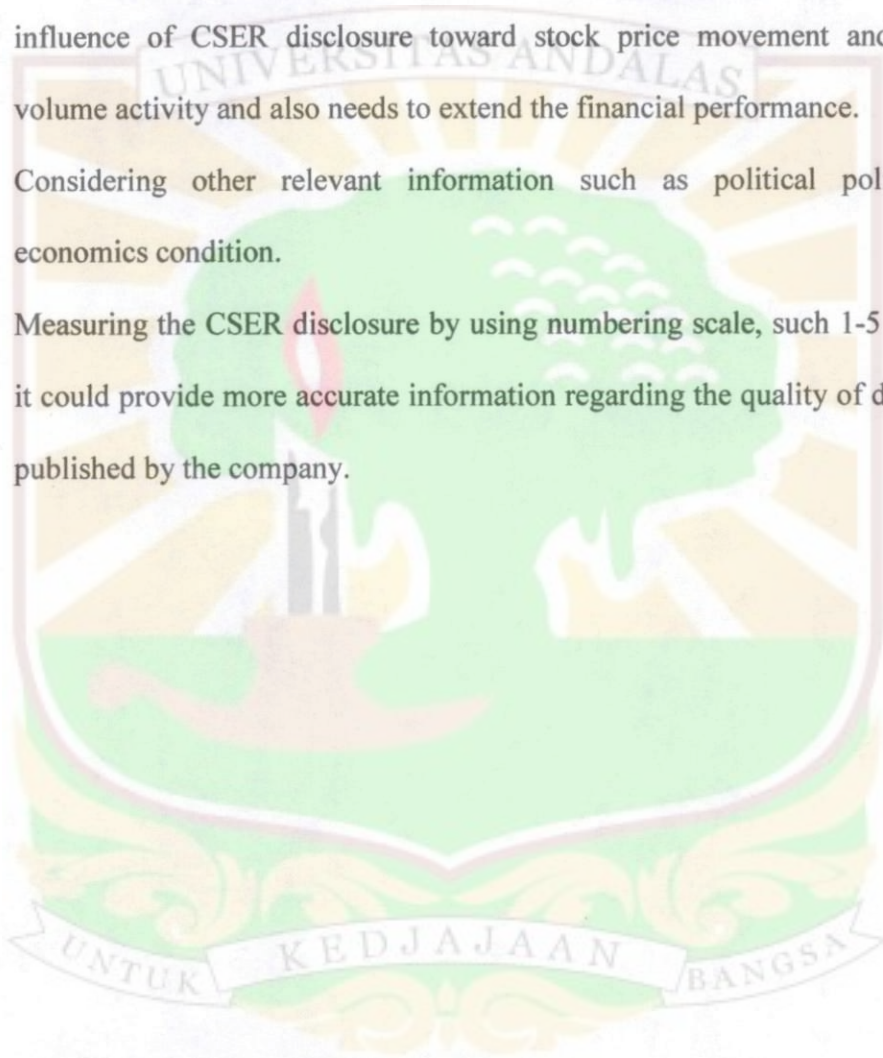
5.3 Research Implications

Based on the results analysis of the study, it could theoretically know that the disclosure of CER has no significant influence toward changes in stock prices but has significant influence toward trading volume activity. Therefore, for companies that has been made CSER disclosures is hoped to keep and add items that not yet reported or disclosed in their sustainability report. It is expected can increase its share price and trading volume activity in the long term. Companies should consider the quality of CSER disclosure, not just its quantity. This research is also expected to be a reference in further research when analyzing the disclosure of Corporate Environmental Responsibility and its relation to the stock performance and trading volume activity.

5.4 Suggestion

Advices that can be given for further research excellence are:

1. The observation period needs to be extended in order to view a larger influence of CSER disclosure toward stock price movement and trading volume activity and also needs to extend the financial performance.
2. Considering other relevant information such as political policy, and economics condition.
3. Measuring the CSER disclosure by using numbering scale, such 1-5 scale, so it could provide more accurate information regarding the quality of disclosure published by the company.



REFERENCES

- Adi, Pugh Siswanto, (2004), "*Pengaruh Pengungkapan Sosial dalam Laporan Tahunan Perusahaan terhadap Reaksi Investor (Studi Kasus pada Perusahaan High Profile yang Listing di BEJ)*", available at <http://digilib.gunadarma.ac.id/go.php?id=jiptumm-gdl-s1-2004-puguhsiswa-2230> accessed on October 17th, 2008
- Adrian, Dedi, (2008), "*Impacts of Corporate Social and Environmental Responsibility (CSER) Performance on Cost of Capital*", Universitas Andalas : Padang
- Almilia, Luciana Spica and Dwi Wijayanto, (2007), "*Pengaruh Environmental Performance dan Environmental Disclosure terhadap Economic Performance*", The 1st Accounting Conference
- Anggraini, Fr. Reni Retno, (2006), "*Pengungkapan Informasi Sosial dan Faktor-Faktor yang Mempengaruhi Pengungkapan Informasi Sosial dalam Laporan Tahunan (Studi Empiris pada Perusahaan-Perusahaan yang Terdaftar di BEJ)*", Simposium Nasional Akuntansi IX, Padang, 2006
- Ardana, I Komang, (2008), "*Bisnis dan Tanggung Jawab Sosial*", Buletin Studi Ekonomi Volume 13 No 1
- Bandi, and Jogiyanto, (2000), "*Perilaku Relasi Harga dan Volume Perdagangan Saham Terhadap Pengumuman dividen*", Accounting Research Journal of Indonesia, 6th edition, July 2002

Budiartan, Ketut, (2008), "*Cara Pandang Undang-Undang Republik Indonesia No.40 Tahun 2007 terhadap Corporate Social and Responsibility (CSR)*", Buletin Studi Ekonomi Volume 13 No 2

Cart, Alan, (1998), "*Analysis Pengaruh Faktor Fundamental terhadap Beta Saham*", Jurnal Rist Akuntansi Vol.2 No. 2, July, 1999

Cooper, R Donald and Pamela Schindler, (2003), "*Business Research Method*", Mc Graw Hill Publishing Company Limited

Dahlia, Lely and Sylvia Veronica Siregar, (2008), "*Pengaruh Corporate Social and Responsibility (CSR) terhadap Kinerja Perusahaan (Study Empiris pada Perusahaan yang Tercatat di BEJ pada Tahun 2005 dan 2006)*", Simposium Nasional Akuntansi XI, Pontianak, 2008

Daniri, Achmad, (2008), "*Standarisasi Tanggung Jawab Sosial Perusahaan*"

Darwin, Ali, (1998), "*Pentingnya Laporan Keberlanjutan Akuntansi Indonesia, 3 (1), 12-44*". 2007

Duwi, Priyatno, (2010), "*Paham Analisa Statistik Data dengan SPSS*", 1st edition

- Hacston, R. M and Andi Milne, Marcus J, (1996), "*Some Determinants of Social and Environmental Disclosures in New Zealand Companies*", Accounting, Auditing and accountability Journal, Volume 9 No 1, pp 77-105
- Haniffa, R.M., and T.E. Cooke (2005), "*The Impact of Culture and Governance on Corporate Social Reporting*", Journal of Accounting and Public Policy 24, pp.391-430.
- Ihsan, Muhammad, (2008), "*CSER and Firm Performance (An Analysis on Manufacturing and Mining Companies Listed in IDX)*", S1 Thesis, Universitas Andalas : Padang
- IAI, (2004), "*Pernyataan Standar Akuntansi Keuangan*", Salemba Empat : Jakarta
- ICMD, (2007)
- ICMD, (2008)
- Indriantoro, Nur and Bambang Supomo, (1999), "*Metodologi Penelitian Bisnis*", 1st edition, Yogyakarta : BPFE
- Lako, Andreas, (2008), "*Kewajiban CSR dan Reformasi Paradigma Bisnis dan Akuntansi*", Buletin Manajemen Usahawan Indonesia No.6 Tahun XXX VII, 2008
- Sahyda, Riri, (2009), "*Pengaruh Pengungkapan CSER Terhadap Perubahan Harga Saham, Perusahaan Publik yang Terdaftar di BEJ*", S1 Thesis, Universitas Andalas: Padang
- Saidi, Zaim and hamid Abidin, (2004), "*Menjadi Bangsa Pemurah*", Wacana Praktek Kedermawanan Sosial di Indonesia, Jakarta: Paramedia

Sayekti, Yosefa and Ludovicus Sensi Wondabio, (2007), "*Pengaruh CSR terhadap Earning Response Coefficient*", Simposium Nasional akuntansi X, Makassar 2007

Sekaran, Uma, (2006), "*Metodologi Penelitian untuk Bisnis*", 1st Edition, Jakarta: Salemba Empat

Sembiring, Eddy Rismanda, (2005), "*Karakteristik Perusahaan dan Pengungkapan Tanggung Jawab Sosial: Studi Empiris pada Perusahaan yang Tercatat Di Bursa Efek Jakarta*", Simposium Nasional Akuntansi VIII, 2005.

Sujianto, Agus Eko, (2007), "*Aplikasi Statistik dengan SPSS untuk Pemula*", Jakarta: Prestasi Pustaka

Tandellin, Eduardus, (2001), "*Analisis Investasi dan Manajemen Portofolio*", PT BFE: Jogja

UU RI No 40 tahun 2007 Tentang PT, www.djpp.depukumham.go.id, akses tanggal 15 Januari 2009

Utomo, Muhammad Muslim, (2000), "*Praktek Pengungkapan Sosial pada Laporan Tahunan Perusahaan di Indonesia (Studi Perbandingan antara High and Low Profile)*", SNA III, Depok, 2000

Wirasastri, Aan (2009), "*Pengaruh CSER terhadap reaksi investor*", Universitas Andalas : Padang

www.idx.co.id

www.yahoofinance.com

Sekaran, Uma, (2006), "*Metdologi Penelitian untuk Bisnis*", 1st edition, Jakarta : Salemba Empat

**APPENDIX 2
CSER INDEX**

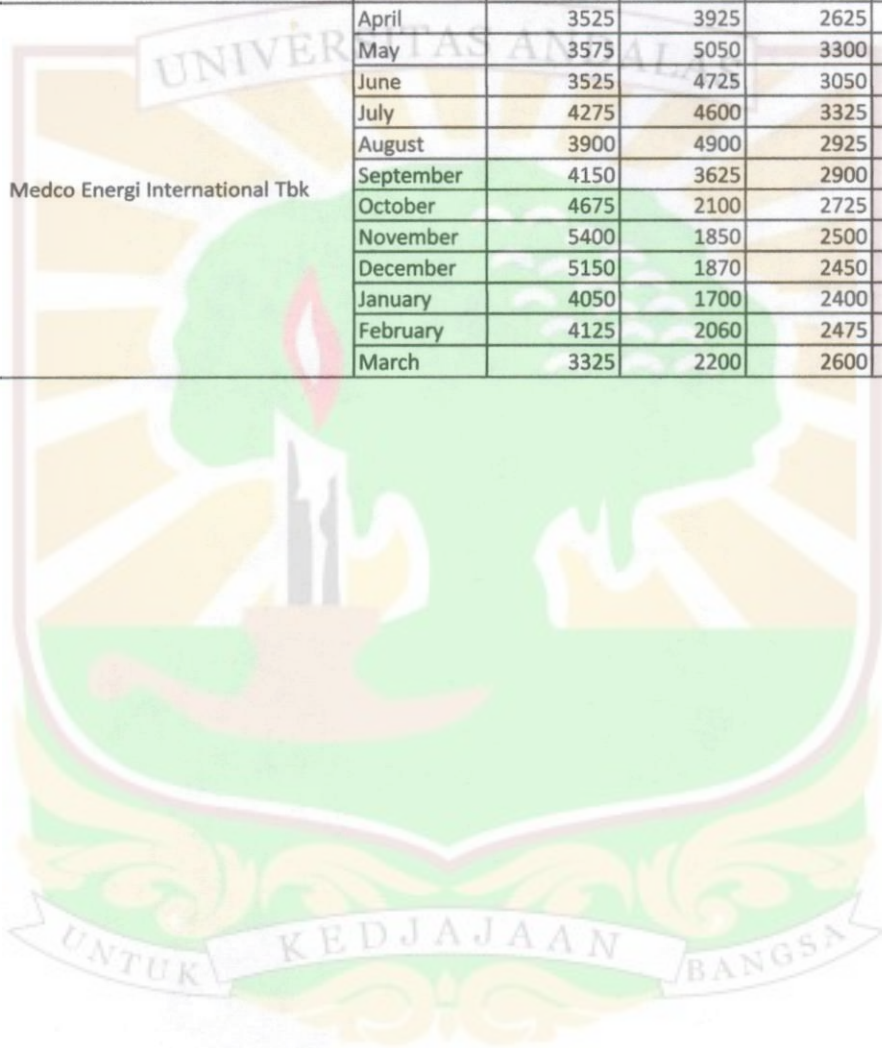
No	Code	Company's Name	Checklist Item	CSER Index			
				2006	2007	2008	2009
1	ANTM	Aneka Tambang (Persero) Tbk		0,7436	0,8077	0,820513	0,83333
			Environmental	0,8462	0,8462	0,846154	0,84615
			Energy	1,0000	1,0000	1	1
			Health and safety workforce	0,7500	0,7500	0,75000	0,75000
			Other Labor	0,6897	0,7931	0,758621	0,75862
			Products	0,5000	0,7000	0,9000	0,9000
			Community Involvement	0,7778	0,7778	0,777778	0,77778
			General	1,0000	1,0000	1	1
2	PTBA	Tambang Batu Bara Bukit Asam Tbk		0,6795	0,7692	0,794872	0,80769
			Environmental	0,8462	0,8462	0,846154	0,846154
			Energy	0,4286	0,7143	0,714286	0,71429
			Health and safety workforce	1,0000	1,0000	1	1
			Other Labor	0,5862	0,6207	0,655172	0,68966
			Products	0,5000	0,9000	1	1
			Community Involvement	0,7778	0,7778	0,777778	0,77778
			General	1,0000	1,0000	1	1
3	SMCB	Holcim Indonesia Tbk		0,7821	0,7949	0,807692	0,82051
			Environmental	0,7692	0,7692	0,769231	0,76923
			Energy	1,0000	1,0000	1	1
			Health and safety workforce	1,0000	1,0000	1	1
			Other Labor	0,6207	0,6552	0,689655	0,72414
			Products	0,9000	0,9000	0,9	1
			Community Involvement	0,7778	0,7778	0,777778	0,66667
			General	1,0000	1,0000	1	1
4	ASII	Astra Internasional Tbk		0,7692	0,7949	0,794872	0,80769
			Environmental	0,8462	0,8462	0,923077	0,92308
			Energy	1,0000	1,0000	1	1
			Health and safety workforce	0,7500	0,7500	0,875	0,875
			Other Labor	0,6207	0,6552	0,655172	0,68966
			Products	0,9000	1,0000	0,8	0,8
			Community Involvement	0,7778	0,7778	0,777778	0,77778
			General	1,0000	1,0000	1	1
5	TLKM	Telekomunikasi Indonesia (Persero) Tbk		0,6538	0,7308	0,794872	0,80769
			Environmental	0,6154	0,6923	0,692308	0,69231
			Energy	0,8571	0,8571	0,857143	0,85714
			Health and safety workforce	0,7500	1,0000	1	1
			Other Labor	0,5862	0,6552	0,689655	0,72414
			Products	0,6000	0,6000	1	1
			Community Involvement	0,6667	0,7778	0,777778	0,77778
			General	1,0000	1,0000	1	1
6	TINS	Timah (Persero) Tbk		0,7051	0,7436	0,769231	0,79487
			Environmental	0,7692	0,7692	0,769231	0,76923
			Energy	0,8571	1,0000	1	1
			Health and safety workforce	0,7500	0,8750	0,875	1
			Other Labor	0,6552	0,6207	0,689655	0,72414
			Products	0,6000	0,7000	0,7	0,7
			Community Involvement	0,6667	0,7778	0,777778	0,77778
			General	1,0000	1,0000	1	1
7	MEDC	Medco Energi Internasional Tbk		0,7179	0,7308	0,75641	0,78205
			Environmental	0,8462	0,8462	0,846154	0,84615
			Energy	1,0000	1,0000	1	1
			Health and safety workforce	0,8750	0,8750	0,875	1
			Other Labor	0,5862	0,6207	0,655172	0,68966
			Products	0,6000	0,6000	0,7	0,7
			Community Involvement	0,6667	0,6667	0,666667	0,66667
			General	1,0000	1,0000	1	1

No	Category	Company
1	Environmental	0,0000
2	Energy	0,0000
3	Health and safety workforce	0,0000
4	Other Labor	0,0000
5	Products	0,0000
6	Community Involvement	0,0000
7	General	0,0000

APPENDIX 3
Monthly Stock Price List

No	Code	Name of Company	Month	Period			
				1st year	2nd year	3thd year	4th year
				April 07-08	April 08-09	April 09-10	April 10-11
1	ANTM	Aneka Tambang (Persero) Tbk	April		3500	1430	2450
			May		3250	1980	2025
			June		3175	2025	1940
			July	2700	2475	2200	2100
			August	2250	1890	2275	2075
			September	2775	1460	2450	2375
			October	3350	1040	2275	2550
			November	4675	1020	2200	2325
			December	4475	1090	2200	2450
			January	3575	1110	2125	2575
			February	4100	1200	2075	
			March	3350	1090	2400	
			2	PTBA	Tambang Batu Bara Bukit Asam Tbk	April	3900
May	5250	14600				11250	17450
June	6550	16400				11600	17250
July	6650	13650				13600	16700
August	5750	14500				13000	17500
September	6550	9350				14100	19450
October	9050	5475				15200	19650
November	12100	6900				16450	18700
December	12000	6900				17250	22950
January	11400	7400				17200	24200
February	11450	7200				15600	
March	10050	6750				17400	
3	SMCB	Holcim Indonesia Tbk				April	1200
			May	1380	1110	1000	2100
			June	1560	1120	1100	2175
			July	1750	1160	1450	2375
			August	1650	1150	1260	2300
			September	1400	850	1330	2425
			October	1140	445	1620	2325
			November	1030	435	1500	2300
			December	1010	630	1550	2250
			January	950	580	1630	2300
			February	760	550	1770	
			March	720	550	2075	
			4	ASII	Astra Internasional Tbk	April	14400
May	16400	11300				20800	43150
June	16900	13000				23800	48300
July	1875	10550				29300	50700
August	1785	10200				30150	47600
September	1925	9350				33350	56700
October	25600	17100				31300	57000
November	25000	20800				32350	51900
December	27300	22550				34700	54550
January	27250	19250				35950	52050
February	27850	21000				36250	
March	24250	20000				41900	
5	TLKM	Telekomunikasi Indone (Persero) Tbk				April	10500
			May	9550	8100	7450	7750
			June	9850	7300	7500	7700
			July	11200	7700	8950	8450
			August	10850	8000	8400	8650
			September	11000	7150	8650	9200
			October	10750	5400	8400	9100
			November	10150	5850	9000	7950
			December	10150	6900	9450	7950

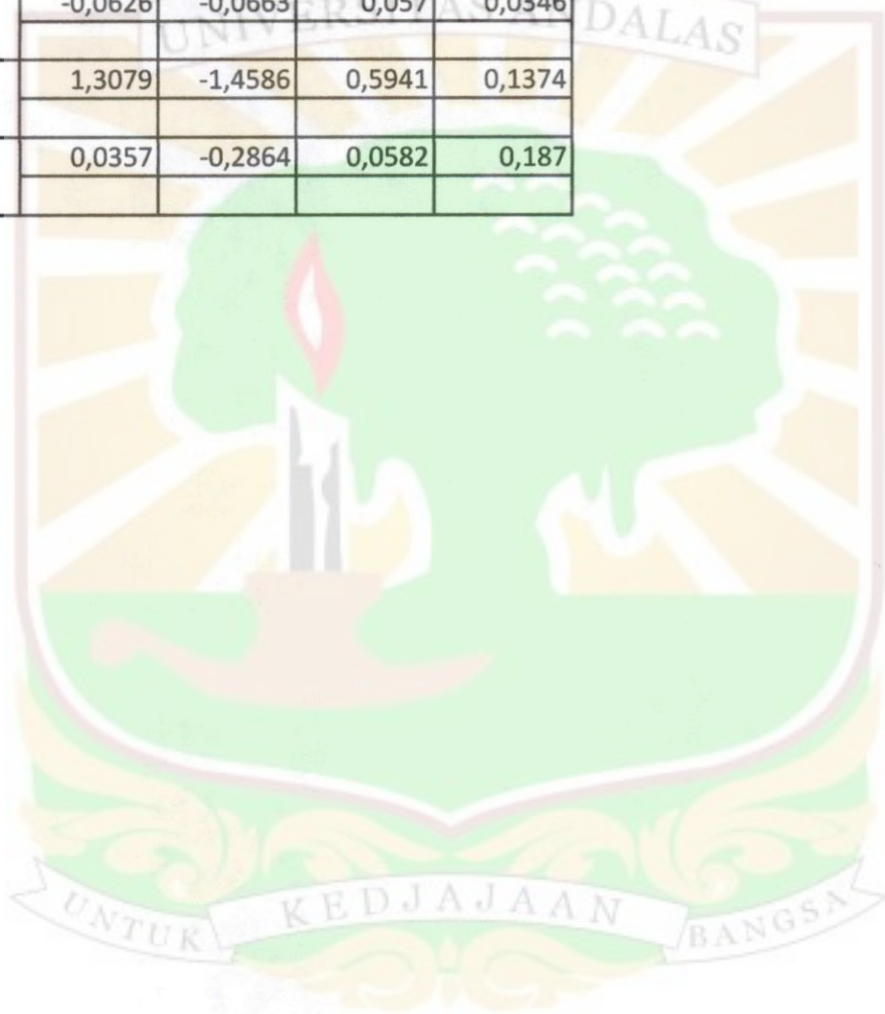
			January	9250	6300	9350	8000		
			February	9800	6300	8300			
			March	9650	7550	8050			
6	TINS	Timah (Persero) Tbk	April	11950	32150	1420	2700		
			May	11650	33950	1970	2225		
			June	12150	37450	2025	2150		
			July	14100	31950	2100	2475		
			August	12300	2575	2075	2375		
			September	13250	1660	2150	3150		
			October	19500	1160	1950	2850		
			November	25000	1050	1890	2625		
			December	28700	1080	2000	2750		
			January	28800	1090	2225	2850		
			February	32550	1060	2150			
			March	28950	1060	2375			
			7	MEDC	Medco Energi International Tbk	April	3525	3925	2625
May	3575	5050				3300	2850		
June	3525	4725				3050	2950		
July	4275	4600				3325	3000		
August	3900	4900				2925	3075		
September	4150	3625				2900	3325		
October	4675	2100				2725	4075		
November	5400	1850				2500	3350		
December	5150	1870				2450	3375		
January	4050	1700				2400	3400		
February	4125	2060				2475			
March	3325	2200				2600			



APPENDIX 4

MONTHLY RELATIVE STOCK PRICE CHANGE

No	Code	Period			
		1st year	2nd year	3thd year	4th year
1	ANTM	0,3889	-1,0098	0,5993	0,0901
2	PTBA	1,0808	-0,131	0,6304	0,2978
3	SMCB	-0,42	-0,18678	1,2583	-0,0075
4	ASII	13,3471	0,6649	0,9661	0,1352
5	TLKM	-0,0626	-0,0663	0,057	0,0346
6	TINS	1,3079	-1,4586	0,5941	0,1374
7	MEDC	0,0357	-0,2864	0,0582	0,187



DIX 5
 NG VOLUME ACTIVITY

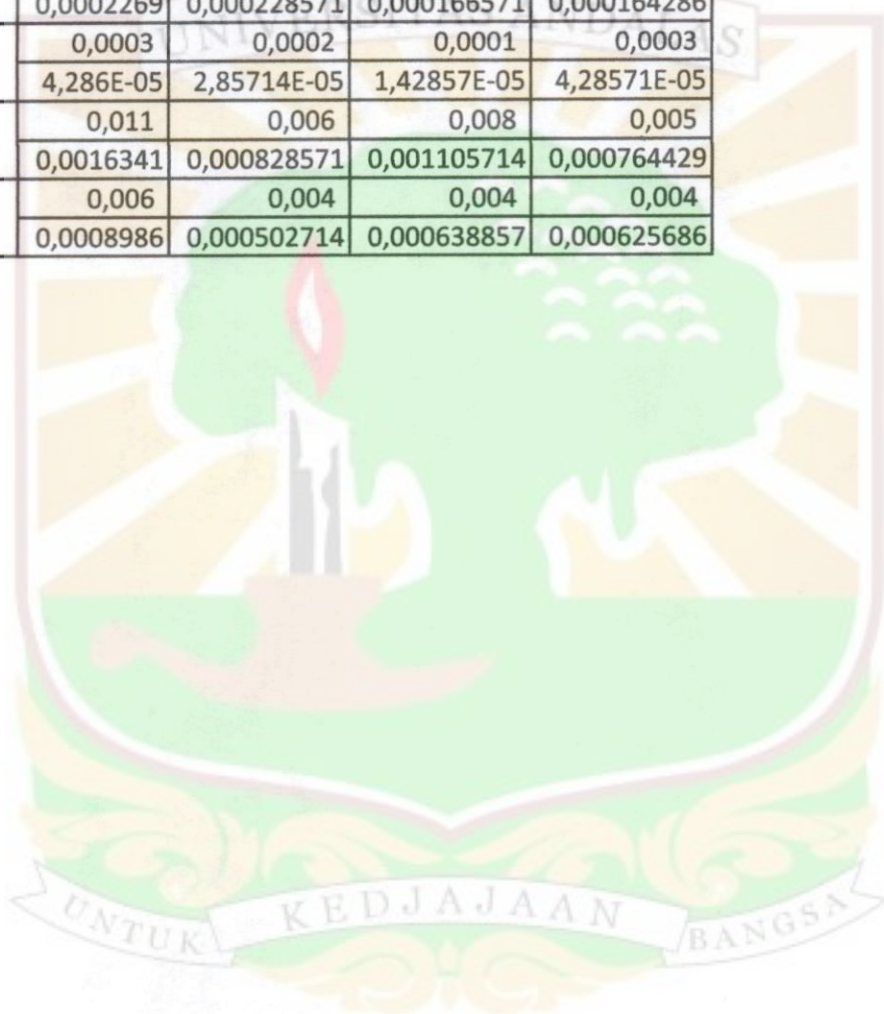
Code	Name of Compa	Period			
		3thd year	2nd year	1st year	4th year
ANTM	v	58.826.300,00	100.351.538,00	186.644.320,00	33.234.400,00
	Outstand	9.538.460,00	9.523.038,00	9.523.038,00	9.523.038,00
	tva	6,167	10,538	19,599	3,490
PTBA	v	6.216.267,00	10.029.017,00	19.730.458,00	4.074.030,00
	outstand	2.304.000.000,00	2.304.000.000,00	2.304.000.000,00	2.304.000.000,00
	tva	0,003	0,004	0,009	0,002
SMCB	v	17.981.817,00	11.972.617,00	16.515.550,00	11.610.240,00
	outstand	327.086.376,00	263.586.090,00	263.586.090,00	263.586.090,00
	tva	0,055	0,045	0,063	0,044
ASII	v	4.720.192,00	6.496.033,00	6.430.875,00	4.672.660,00
	outstand	4.048.000.000,00	4.048.000.000,00	4.048.000.000,00	4.048.000.000,00
	tva	0,001	0,002	0,002	0,001
TLKM	v	19.160.008,00	20.745.992,00	24.573.767,00	27.065.938,00
	outstand	100.159.999.280,00	100.159.999.280,00	100.159.999.280,00	100.159.999.280,00
	tva	0,0001	0,0002	0,0003	0,0003
TINS	v	38.957.983,00	29.210.500,00	57.572.050,00	26.931.730,00
	outstand	5.033.020.000,00	5.033.020.000,00	5.033.020.000,00	5.033.020.000,00
	tva	0,008	0,006	0,011	0,005
MEDC	v	13.158.425,00	10.353.400,00	19.562.558,00	13.616.170,00
	outstand	2.941.996.950,00	2.941.996.950,00	3.108.854.450,00	3.108.854.450,00
	tva	0,004	0,004	0,006	0,004



APPENDIX 6

VA/n

No	Code	TVA			
		1th year	2th year	3thd year	4th year
1	ANTM	19,599	10,538	6,167	3,490
		2,7998914	1,505395	0,881039143	0,498556386
2	PTBA	0,009	0,004	0,002	0,002
		0,0012229	0,000621839	0,000252571	0,000252571
3	SMCB	0,055	0,045	0,055	0,044
		0,0078536	0,006488857	0,007853571	0,006285714
4	ASII	0,002	0,002	0,001	0,001
		0,0002269	0,000228571	0,000166571	0,000164286
5	TLKM	0,0003	0,0002	0,0001	0,0003
		4,286E-05	2,85714E-05	1,42857E-05	4,28571E-05
6	TINS	0,011	0,006	0,008	0,005
		0,0016341	0,000828571	0,001105714	0,000764429
7	MEDC	0,006	0,004	0,004	0,004
		0,0008986	0,000502714	0,000638857	0,000625686



APPENDIX 7

Result Data Testing trough SPSS 17

TRADING VOLUME ACTIVITY

Variables Entered/Removed^b

Model	Variables Entered	Variables Removed	Method
1	CSER ^a		Enter

a. All requested variables entered.

b. Dependent Variable: TVA

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.415 ^a	.172	.140	3.9418084

a. Predictors: (Constant), CSER

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	84.004	1	84.004	5.406	.028 ^a
	Residual	403.984	26	15.538		
	Total	487.988	27			

a. Predictors: (Constant), CSER

b. Dependent Variable: TVA

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-28.174	12.754		-2.209	.036
	CSER	38.162	16.412	.415	2.325	.028

a. Dependent Variable: TVA

STOCK PRICES**Variables Entered/Removed^b**

Model	Variables Entered	Variables Removed	Method
1	CSER ^a		Enter

a. All requested variables entered.

b. Dependent Variable: Stock price

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.102 ^a	.010	-.028	2.595489	2.274

a. Predictors: (Constant), CSER

b. Dependent Variable: Stock price

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.853	1	1.853	.275	.604 ^a
	Residual	175.151	26	6.737		
	Total	177.004	27			

a. Predictors: (Constant), CSER

b. Dependent Variable: Stock price

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.162	8.615		.599	.554
	CSER	-5.781	11.022	-.102	-.524	.604

a. Dependent Variable: Stock price

