JRAK
Jurnal Riset Akuntansi Kontemporer

# THE MODERATING ROLE OF INFORMATION ASYMMETRY ON EARNINGS PERSISTENCE AND EARNINGS RESPONSE COEFFICIENT

https://journal.unpas.ac.id/index.php/jrak/index

**Dini Onasis** ✉[1], **Jasman**[2]
[1]Accounting Study Program, Faculty of Economics and Business,
Universitas Lancang Kuning, Indonesia
[2]Accounting Study Program, Faculty of Economics and Business, Perbanas Institute, Indonesia
Corresponding Author: dinionasis@unilak.ac.id ✉[1]
Jl. Yos Sudarso, KM. 8 Rumbai, Pekanbaru, Riau, Indonesia

**Article Info**

History of Article
Received: 24/10/2024
Revised: 2/12/2024
Accepted: 20/12/2024
Available Online: 16/4/2025

Jurnal Riset Akuntansi Kontemporer
Volume 17, No. 1, April 2025,
Page 1-11
ISSN 2088-5091 (Print)
ISSN 2597-6826 (Online)

https://doi.org/10.23969/jrak.v17i2.19307

**Keywords:** earnings persistence; earnings response coefficient; information asymmetry; financial statements; value relevance.

**Abstract**

This research addresses a significant research gap in earnings persistence and earnings response coefficient. A factor which is thought to be considered influence the gap is because of differences in the level of information asymmetry. This study examines the effect of earnings persistence on earnings response coefficient with the role of information asymmetry as a moderating variable in strengthening or weakening its effect. The data used comes from the company's financial statements gathered from the Indonesia Stock Exchange. The samples used are manufacturing companies starting from the 2021-2023 period. This research uses a purposive sampling method. The study results indicate that earnings persistence has a positive effect on the earnings response coefficient (ERC), and information asymmetry is empirically proven to weaken the positive impact of earnings persistence on ERC. This study suggests that management reduce information asymmetry through increased transparency and disclosure of financial statements in order to increase ERC.

## INTRODUCTION

Value relevance describes investors' reactions to the publication of accounting information (Scott, 2015). This reaction will prove that the content of accounting information is a very imperative issue in making investment decision; as a result, accounting information is useful for investors (Fatimah

& Sukardan, 2018; Karampinis & Hevas, 2011; Robu et al., 2016; Scott, 2015). In their economic decisions, investors need some information, one of which is about financial performance (Anwar et al., 2024). For this reason, a useful tool to determine the factors cause an increase or decrease in stock prices is the earnings response coefficient (Alawaqleh & Al-Sohaimat, 2017),

Earnings Response Coefficient, hereinafter referred to as ERC, is a measure of the magnitude of abnormal returns on securities into unexpected earnings components reported by companies that issue securities (Scott, 2015). ERC is also called the accounting income sensitivity coefficient, a measure of the susceptibility of stock price changes because of accounting income changes. ERC is an imperative model used to show the possibility of ups and downs in stock prices against market reactions to corporate earnings information. In addition, a high ERC value depicts shareholders are interested in the corporate's earnings information compared to companies with lower ERC values. In contrast, a low ERC shows that income are less informative for investors to make economic decisions (Nisrina & Herawaty, 2016).

There is a phenomenon that an enhancement in corporate profits is not always followed by an increase in share prices, and conversely a reduction in company profits is not always followed by a weakening of share prices, this phenomenon is of particular concern of investors due to stock price volatility (Dewi, 2020). The phenomenon of increases and decreases of shares price in the capital market makes investors tend to analyze and choose shares that can produce the best returns and the smallest risks (Fitriani et al., 2025; Nisrina & Herawaty, 2016). One factor that is thought to affect ERC levels is earnings persistence. Investment is an activity to get a return from the company in which the investor has invested. Therefore, earnings that are persistent and not just due to a certain event is a reason for investors to invest based on track record. Earnings persistence is income that can be used as a benchmark for next year's profit (Francis et al., 2004). Earnings persistence is a revision in expected future accounting income with profit innovation in the current year or current earnings used as an indicator for future earnings (Khasanah & Jasman, 2019). The magnitude of this revision indicates the level of earnings persistence (Faradilla et al., 2015).

High earnings persistence will have a good effect on the correlation between accounting profit and stock prices (ERC). The more persistence the higher the ERC (Delvira & Nelvirita, 2013). Companies with higher ERC are seen by the market as having higher growth potential (Suharti & Murwaningsari, 2024). The outcome, besides supporting the hypothesis that the earnings response coefficient differs between firms and over time, also confirm that earnings persistence and growth are positively associated with ERC. This evidence corresponds with earnings persistence and quality; thus, good or bad signals in current-year earnings will provide future growth potential. Furthermore, earnings persistence provides future growth prospects so that the ERC will be high.

Previous studies about the influence of earnings persistence on ERC provide different results. Earnings persistence has a positive influence on ERC (Alawaqleh & Al-Sohaimat, 2017; Apriani & Mutumanikan, 2021; Delvira & Nelvirita, 2013; Sari, 2023; Yao, 2017). Instead, Zulman Hakim et al., (2022), (Othman & Mersni, 2014), (Hakim et al., 2022), and (Suharti & Murwaningsari, 2024) did not find earnings persistence to affect ERC. The differences are thought to be affected by differences in the level of information asymmetry.

Information asymmetry arise when one party understands the company better than the other in terms of information availability (Jasman & Amin, 2017; Jo & Kim, 2007). A high information asymmetry leads to the difficulty of shareholders to monitor managers (Jiraporn et al., 2008). To develop income quality, it is imperative to improve information transparency (Dai et al., 2013). Transparency through the level of disclosure is to mitigate the problem of asymmetric information (Chiyachantana et al., 2013). Dechow, Ge and Schrand (2010) say accounting information has high quality when it shows the value of the company from one year to the next so that it is useful for investors to evaluate shares. Nevertheless, earnings persistence is reduced in the existence of information asymmetry and a high information asymmetry causes low earnings persistence (Bhattacharya et al., 2013; Supattarakul & Rueangsuwan, 2024). Thus, the low earnings persistence results in a decrease in ERC.

This study not only aims to investigate the effect of earnings persistence on ERC, but also tests whether information asymmetry plays an imperative role in moderating the effect of earnings persistence on ERC. The results are expected to have contributions to literature in providing the empirical evidence regarding the correlation between earnings persistence and ERC, and how information asymmetry plays a role in this relationship which research is still limited. For investors, it provides knowledge in making investment decisions by paying attention to the persistence of profits which can influence ERC so that they can choose the right investment.

Signaling theory is rooted in the idea of information asymmetry which states two parties experience information asymmetry problems when one party sends signals that will reveal relevant information to the other party who then interprets it (Spence, 1973). The aim of this theory is that the problem of information asymmetry can be mitigated by providing more information to investors. In addition, signaling theory is a theory about how companies should provide signals to investors through more disclosure about what actions have been taken by management. This study is related to signaling theory because earnings persistence aims to provide signals or good news to investors. Earnings Persistence is also related to earnings sustainability. Accounting information has high quality when shows the value of the company from one period to another so that it is useful for investors to evaluate stocks in the capital market (Dechow et al., 2010). The ERC value is forecasted to be greater if the company's future profits are more exact. Accounting earnings are considered more persistent if the coefficient of variation is smaller. The more permanent the firm earnings, the higher the ERC. This is related to earning power. Earnings persistence represents the quality of earnings and reveals that a firm is able to keep maintaning income periodically (Fatma & Hidayat, 2019).

Some researchers found that that earnings persistence does not affect ERC (Othman & Mersni, 2014; Suhandi & Sutrisno, 2022; Suharti & Murwaningsari, 2024). However, others provide empirical evidence that earnings persistence has a positive impact on ERC. Earnings persistence has a positive influence on ERC, which means that the more persistent earnings, the greater the earnings coefficient will be (Alawaqleh & Al-Sohaimat, 2017; Apriani & Mutumanikan, 2021; Delvira & Nelvirita, 2013; Sari, 2023; Yao, 2017). As it is similar to signaling theory, companies convey information to investors about the consistency of earnings. The movement of earnings each year is more persistent, and the ERC will also be higher.

As discussed above, previous research provides different results. Some researchers state that earnings persistence has a positive and significant effect on ERC (Alawaqleh & Al-Sohaimat, 2017; Apriani & Mutumanikan, 2021; Delvira & Nelvirita, 2013; Sari, 2023; Yao, 2017). Meanwhile, others prove that earnings persistence does not affect ERC (Othman & Mersni, 2014; Suhandi & Sutrisno, 2022; Suharti & Murwaningsari, 2024). The difference in previous results is thought to be due to the different levels of information asymmetry in the entities. Information asymmetry occurs when a party has more understanding about the firm compared to the other (Scott, 2015).

Information asymmetry is one of the agency problems. Agency theory is a contract in which shareholders as principal delegate other parties as agents. Other parties are authorized to manage firm operation on principal interest (Jensen & Meckling, 1976). Shareholders as owners (principals) provide authority to managers to manage the firm; thus, management (as agents) understands the company better than principals or shareholders. A high information asymmetry tends to make it difficult for shareholders to monitor managers (Jiraporn et al., 2008). Consequently, to elevate the quality of earnings it is necessary to escalate information transparency (Dai et al., 2013). Transparency through the level of disclosure is to mitigate the problem of asymmetric information (Chiyachantana et al., 2013). Accounting information has high quality when it shows persistent earnings from one period to the next so that it is useful for investors to evaluate stocks in the capital market (Dechow et al., 2010). However, Supattarakul and Rueangsuwan (2024) remind us that earnings persistence is reduced in the existence of information asymmetry. Bhattacharya, Desai and Venkataraman, (2013) said that high information asymmetry causes low earnings persistence. Thus, low proft persistence causes a decrease in ERC.

The most common measure for firm size is natural logarithm of total assets (Dang & Li, 2013). Size has a positive influence on ERC (Aiffa & Nadhifah, 2024). In contrast, Rachma (2022) did not

find the influence of size on ERC. However, company size is one of the important instruments for investors in assessing the firm's prospects. The larger the company size, the higher its ability to diversify products and the better its revenue response. Thus, company size has a positive impact on ERC.

Leverage is proxied with Debt to Equity Ratio (DER) measures to what extent the company uses loans, the smaller the ratio, the greater the level of financing from investors (Scott, 2015). Sarahwati and Setiadi (2021) say leverage has a negative effect on ERC. In contrast, other researchers found that leverage does not affect ERC (Adam et al., 2019; Rachma, 2022; Regina & Cahyaningsih, 2020). Because increasing leverage results in an increase in operating expenses and reduces profits, which ultimately results in a decline in company profits. Thus, leverage has a negative influence on ERC.

Market-to-book value ratio is a measurement of investors' views on company's performance and relates it to the stock market value to its book value (Jasman and Murwaningsari, 2018). MBV has a positive effect on ERC (Amanda et al., 2019). The stock price is as an expected value of the future return that investors would get. Investors will have a greater response to companies that grow at a high rate (Aiffa & Nadhifah, 2024). Thus, an increase in MBV can increase ERC.

Based on the previous discussion, hypotheses are stated below and research framework is depicted in figure 1.

H1: Earnings persistence has a positive effect on ERC.

H2: Information Asymmetry weakens the positive influence of Earnings Persistence on ERC.

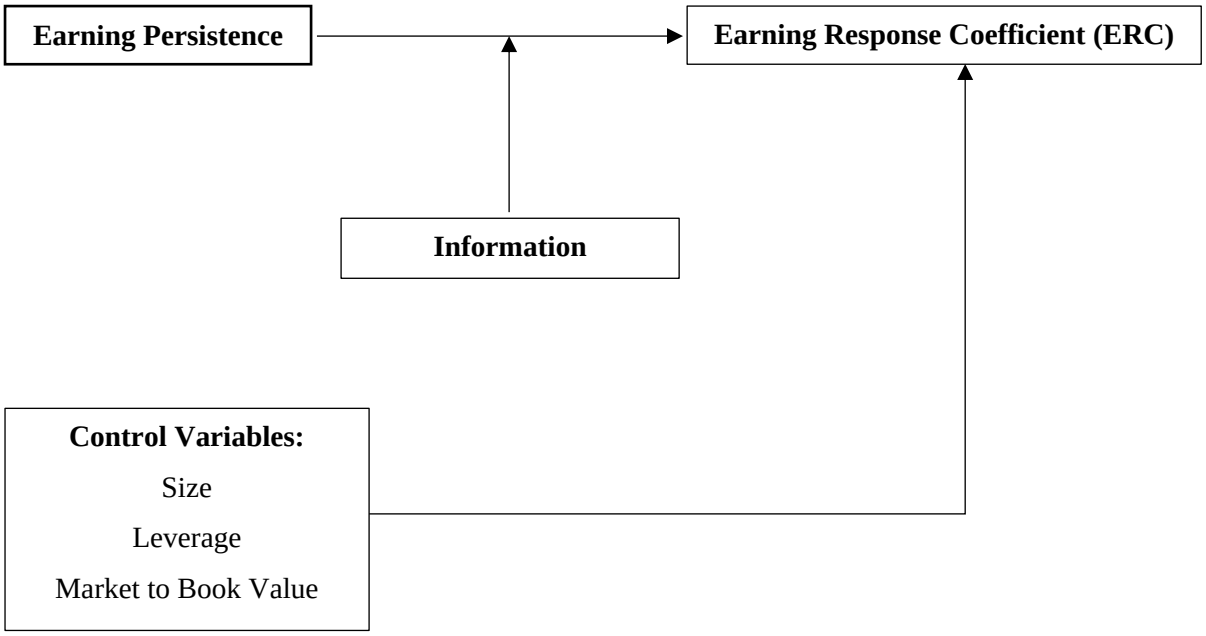


Figure 1. Research Framework

## METHOD

The samples are manufacturing companies listed on the Indonesia Stock Exchange (IDX) for three periods of 2021-2023. The reason for choosing manufacturing companies as a sample is because manufacturing companies in Indonesia amounted to 213 (33.12%) out of a total of 643 in 2021 so it is considered quite representative of all companies on IDX. The second reason is because of the ease of obtaining data which are available at www.idx.co.id, Yahoo Finance, and, OK stocks. Sampling is done by purposive sampling method with criteria: all manufacturing companies, have complete financial statements and reports is presented in Rupiah currency. From the results of purposive sampling, 211 companies were obtained per year or 633 firm-year observations.

Hypothesis 1 was tested with the following regression model

$$ERC_{it} = \alpha + \beta_1 EP_{it} + \beta_2 SIZE_i t + \beta_3 LEV_{it} + \beta_4 MBV_{it} + \varepsilon$$

Meanwhile, Hypothesis 2 regression model:

$$ERC_{it} = \alpha + \beta_1 EP_{it} + \beta_2 SIZE_{it} + \beta_3 LEV_{it} + \beta_4 MBV_{it} + ASMTR*EP_{it} + \varepsilon$$

where, ERC is Earnings Respon Coefficient, $\beta_1 EP_{it}$ is the variable coefficient of earnings persistence, $\beta_2 SIZE_{it}$ is variable coefficient of company size, $\beta_3 LEV_{it}$ is variable coefficient of Leverage, $\beta_4 PBV_{it}$ is variable coefficient Price to Book Value Ratio, and ASMTR $*EP_{it}$ is the variable of earnings persistence interaction with information asymmetry.

The followings are the operationalization of variables. ERC is resulted by performing several steps. First, calculates the Cumulative Abnormal Return of each sample. Second, step is to calculates the Unexpected Earnings (UE) of the sample. ERC will be resulted from the slope α1 in the regression between UE and CAR (Scott, 2015), namely:

$$CAR_{it} = \alpha 0 + \alpha 1\ UE_{it} + \varepsilon_{it}$$

Where, $CAR_{it}$, is the Company's Cumulative Abnormal Return during the period ± 3 days since the publication of financial statements, with UEit is as the value of Unexpected Earnings obtained from earnings per share, and εit is as the error component.
CAR is daily cumulative AIR from the first day to the next, namely

$$CAR_{i,t} = \sum_{a=t}^{t} \mathbf{AR}_{i,t}$$

Where, $CAR_{it}$, is Cumulative Abnormal Return, and $AR_{i,t}$ is Abnormal Return of company I on day t. The second stage is to calculate the UE (Unexpected Earnings) of each company. UE can be calculated using the earnings per share measurement measured by the following formula:

$$UEi.t = \frac{AE_{i,t} - AE_{i,t-1}}{AE_{i,t-1}}$$

Where, UEi.t is the Unexpected Earnings of company i in period t and AEi.t is the Earnings After Tax of company i in year t, and $AE_{i.t-1}$ : Earnings After Tax of company i in year t-1. Third, conduct is a Cumulative Abnormal Return and Unexpected Earnings regression to find the ERC value.

Earnings persistence is measured using the coefficient of regression results between current accounting earnings and last year's accounting earnings (Francis et al., 2004), with the following formula.

$$\frac{Earnings_t}{TA_{it}} = \alpha + \beta \frac{Earnings_{t-1}}{TAi_{t-1}} + \varepsilon$$

Where, $Earnings_t$ means Net Income Before Extraordinary Items in year t. $Earnings_{t-1}$ means Net Income Before Extraordinary Items in year t-1, and β is Regression result coefficient (earnings persistence).

Information asymmetry is gauged by the average annual bid-ask spread (Dechow et al., 2010; El-Mahdy & Park, 2014).

$$SPREAD = (ask_{i,t} - bid_{i,t}) / \{(ask_{i,t} + bid_{i,t})/2\} \times 100$$

Where, $Ask_{i,t}$ means the highest ask price of the stock of company i that occurred on day t; $Bid_{it}$ = the lowest bid price of the company's stock i that occurred on day t ask price.

Control variables consist of size, leverage, and market to book value. The most commonly used proxy to measure size is natural logarithm of total assets (Aiffa & Nadhifah, 2024; Dang & Li, 2013). Leverage is proxied by debt to equity ratio (Rachma, 2022; Regina & Cahyaningsih, 2020; Scott, 2015). Then, market to book value uses the formula used by previous researchers (Jasman and Murwaningsari, 2018; Amanda, Efrianti and Marpaung, 2019), namely Closing Price divided by Book Value per Share.

For data analyses, regression assumption tests and hypothesis testing are carried out. The classical assumption test performed is 1) Heteroscedasticity Test 2) Autocorrelation test and 3) Multicollinearity Test. All tests show the results that the data is free from Heteroscedasticity, Autocorrelation, and Multicollinearity. Since, type of data in this study is panel data testing; thus, model selection test was conducted and the results showed that the selected hypothesis 1 test is the common effect model, while for hypothesis 2 the selected model is the fixed effect model.

## RESULTS

Table 1 demonstrates that size and leverage variables have a standard deviation value that is lower as compared to the mean which indicate data variability is low or homogeneous. Meanwhile, the Earnings Persistence, Market to Book Value (MBV), Earnings Response Coefficient (ERC), and Information Asymmetry variables have a higher standard deviation as compared to the mean. These indicate the level of ERC, Earnings Persistence, and information asymmetry in sample companies are very high data variability.

Table 1. Descriptive Statistics

| Variable | N | Minimum | Maximum | Mean | Std. Deviation |
|---|---|---|---|---|---|
| Earnings Persistence (EP) | 633 | 0.00 | 1.79 | 0.12 | 0.17 |
| Size | 633 | 11.85 | 19.38 | 14.85 | 1.69 |
| Leverage (LEV) | 633 | 0.11 | 6.34 | 1.17 | 1.10 |
| Market to Book Value (MBV) | 633 | 0.01 | 8295.66 | 398.52 | 1111.66 |
| Earnings Response Coef (ERC) | 633 | 0.00 | 33.08 | 0.61 | 3.45 |
| Information Asymmetry | 1633 | 0.00 | 0.78 | 0,43 | 0,65 |

Before hypothesis testing, classical assumption tests were conducted. Tests include the data normality test with one Kolmogorov Smirnov, heteroscedasticity test using the Glejser, multicolinierity test using the variance inflation factor and tolerance value, and autocorrelation test using the Durbin-Watson. The classical assumption tests are presented in the following tables.

Table 2. Data Normality Test

| | | Unstandardized Residual |
|---|---|---|
| N | | 633 |
| Normal Parameters[a,b] | Mean | .0000000 |
| | Std. Deviation | 1.79686208 |
| Most Extreme Differences | Absolute | .093 |
| | Positive | .093 |
| | Negative | -.080 |
| Kolmogorov-Smirnov Z | | .836 |
| Asymp. Sig. (2-tailed) | | .487 |

a. Test distribution is Normal.
b. Calculated from data.

Table 2 describes the probability level of all research variables is 0.487 which is greater as compared to the significance level of 0.05; thus, the residual data in this regression model is normally distributed.

Table 3. Collinearity Test

| Model | | Collinearity Statistics | |
|---|---|---|---|
| | | Tolerance | VIF |
| 1 | EP | 0,999 | 1,001 |
| | SIZE | 0,999 | 1,001 |
| | LEV | 0,998 | 1,002 |
| | MBV | 0,998 | 1.002 |

Table 3 depicts that the tolerance value are higher than 0.10. In addition, the VIF value is lower than 10. Thus, this study is free from multicollinearity.

Table 4. Autocorrelation Test

| du | dw | 4-dl |
|---|---|---|
| 1,633 | 2,059 | 4 – 1,715 = 2,285 |

Table 4 shows the Durbin Watson test results. The result of dw is 2.059 which is higher than du (1,633), and it is lower than 4-dl (2.285). Therefore, there is no autocorrelation in this regression model.

Table 5. Heteroscedasticity Test

| | Variables | Coefficient | Sig |
|---|---|---|---|
| 1. | C | 0.101 | 0.208 |
| | EP | 0.149 | 0.170 |
| | SIZE | -0.001 | 0.681 |
| | LEV | 0.004 | 0.518 |
| | MBV | 0.308 | 0.856 |

a. Dependent Variable: ABS_RES:

Heteroscedasticity test uses the Glejser test. As presented in table 5, it shows coefficients with variable of ABS_RES as dependent variable. All independent variables have a significance value above 0.05. Therefore, the regression models are free from heteroscedasticity.

The test of the regression model selection produces a common effect model. Based on table 6 the regression results show earnings persistence with a prob of 0.00 below 0.05, this means that earnings persistence has a significant and positive effect on ERC, which means that the higher the earnings persistence, the higher the ERC.

Tabel 6. Empirical Results of Hypothesis 1

| Variable | Coefficient | Prob. |
|---|---|---|
| C | 0.505987 | 0.0000 |
| EP | 0.036646 | 0.0000 |
| FIRM SIZE | -0.000108 | 0.8166 |
| LEV | -0.002621 | 0.0054 |
| MBV | -1.50E-07 | 0.6377 |
| Adjusted R-squared | 0.153905 | |
| F-statistic | 8.185070 | |
| Prob(F-statistic) | 0.000005 | |

Dependent Variable: ERC

Furthermore, selection model test use fixed effect model as an option for regression model estimator. Table 7 the regression results show the interaction variable of information asymmetry and earnings persistence (ASMTR*EP) as a moderating variable. Information asymmetry gives the result of p = 0.0360 with a coefficient of -0.008226, which means that information asymmetry weakens the positive effect of earnings persistence on ERC.

Table 7. Empirical Results of Hypothesis 2

| Variable | Coefficient | Prob. |
|---|---|---|
| C | 0.574120 | 0.0000 |
| ASMTR | -0.009052 | 0.0361 |
| EP | 0.018674 | 0.0018 |
| FIRM SIZE | -0.000581 | 0.8985 |
| LEV | -0.028197 | 0.0000 |
| MBV | 1.17E-06 | 0.3373 |
| ASMTR*EP | -0.008226 | 0.0360 |
| Adjusted R-squared | 0.384064 | |
| F-statistic | 2.698620 | |
| Prob(F-statistic) | 0.000006 | |

Dependent Variable: ERC

## DISCUSSION

The results show that earnings persistence has a positive effect on ERC. Empirically it is proven that the company's earnings are quite strong and can be maintained from time to time which then has an influence on increasing in ERC. In addition, this conclusion is also supported by the results of descriptive statistics as indicated in table 1 which show an average profit persistence of 0.12. An average persistent income above 0.00 means there is a fairly strong earnings persistence. These results indicate that accounting information has high quality which shows the value of the company useful for investors to evaluate stocks in the capital market. Accounting earnings have been more persistent to be used for future profits forecast. As this study related to signaling theory, this empirical evidence also proves that earnings persistence provide signals or good news to investors

The results support studies which have been conducted by Apriani and Mutumanikan (2021) and Delvira and Nelvirita (2013). Meanwhile, these results do not confirm with the research of Hakim et al., (2022), Suharti and Murwaningsari (2024), Sari (2023) and Yao (2017) who did not find the effect of earnings persistence on ERC. Furthermore, in the control variable, only leverage has a negative influence on ERC. Meanwhile, Firm size and MBV do not affect ERC. This is because leverage measures the extent to which a company uses loans, thus, the smaller the ratio the greater the level of financing from investors. As can be seen in the descriptive statistics in table 1, the average of leverage is 1.17, which means that most companies use debt financing rather than equity, thereby increasing financing to pay debt interest and consequently reducing ERC.

The results of hypothesis 2 test indicate that information asymmetry weakens the positive effect of earnings persistence on ERC. The persistence of earnings from one period to the next proves useful for investors in assessing shares and other securities. Earnings persistence has reflected the quality of the earnings and reveals that the firm can keep maintaining income periodically as discussed above. The results are empirically proven that information asymmetry is still to be one of the agency problem. The existence of information asymmetry has been proven to lower earnings persistence and low earnings persistence results in a decrease in ERC. A high information asymmetry leads to the difficulty of shareholders to monitor managers. Earnings persistence is proven to be reduced by the existence of information asymmetry. To lower information asymmetry and improve earnings quality, it is imperative to escalate information transparency. Increasing the transparency of financial reports is carried out through disclosure of financial reports. Transparency through the level of disclosure is to mitigate the problem of asymmetric information. With low information asymmetry, it increases earnings persistence which then provides earnings power as a tool for predicting future earnings which consequently provides an increase in ERC.

## CONCLUSION

In conclusion, earnings persistence is empirically proven to have a positive and significant impact on ERC. The higher the earnings persistence, the higher the earnings quality in the form of ERC.

Furthermore, information asymmetry is proven to weaken the positive influence of earnings persistence on ERC. The existence of information asymmetry causes low earnings persistence and low earnings persistence results in a decrease in ERC. The research results on control variables show that only leverage has a negative influence on ERC. Meanwhile, Firm size and MBV do not affect ERC. The followings are suggestions to shareholders to encourage management to reduce information asymmetry. With low information asymmetry, it can increase earnings persistence which has a positive impact on the robustness of earnings as a prediction of future earnings; as a result, ERC also increases. The limitation of this study is that in 2021 and 2022 even though the Covid pandemic has begun to be controlled, the company is still in the recovery period; thus, there may still be an impact from the Covid pandemic on company performance. Therefore, it is suggested for further research to extend the period after 2022. The purpose is to test whether there is consistency in the results of this study.

## REFERENCES

Adam, M. A., Nurdin, N., & Imam, M. T. 2019. Profitabilitas, Leverage, Persistensi Laba Dan Earning Response Coefficient: Moderasi Ukuran Perusahaan. *Jurnal Ekonomi, Akuntansi Dan Manajemen Multiparadigma (JEAMM)*, *1*(1), 34–44. https://doi.org/10.51182/jeamm.v1i1.1835

Aiffa, N. Z., & Nadhifah, I. F. 2024. Pengaruh Firm Size, Leverage, Dan Profitability Terhadap Earnings Response Coefficient (Studi Kasus Pada Perusahaan Sektor Pertambangan Yang Terdaftar Di BEI Tahun 2020-2022). *Jurnal Manajemen Dan Ekonomi Kreatif*, *2*(2), 90–105. https://doi.org/10.59024/jumek.v2i2.350

Alawaqleh, Q., & Al-Sohaimat, M. 2017. The Relationship between Accounting Information Systems and Making Investment Decisions in the Industrial Companies Listed in the Saudi Stock Market. *International Business Research*, *10*(6), 199. https://doi.org/10.5539/ibr.v10n6p199

Amanda, A. L., Efrianti, D., & Marpaung, B. `Sahala. 2019. Analisis Pengaruh Kandungan Informasi Komponen Laba Dan Rugi Terhadap Koefisien Respon Laba (Erc) Studi Empiris Pada Perusahaan Manufaktur Sektor Industri Dasar Dan Kimia Yang Terdaftar Di Bursa Efek Indonesia (Bei). *Jurnal Ilmiah Manajemen Kesatuan*, *7*(1), 188–200. https://doi.org/10.37641/jimkes.v7i1.212

Anwar, Y., Djan, I., Mulyadi, D., & Wihananto, A. 2024. Earnings Quality and Covid-19 Outbreaks in Indonesia. *Jurnal Riset Akuntansi Kontemporer*, *16*(2), 235–244.

Apriani, N. R., & Mutumanikan, P. R. 2021. Pengaruh Ukuran Perusahaan, Leverage, dan Persistensi Laba Terhadap Earnings Response Coefficient. *Jurnal Tawadhu*, *5*(1), 166–174.

Bhattacharya, N., Desai, H., & Venkataraman, K. 2013. Does earnings quality affect information asymmetry? Evidence from trading costs*. *Contemporary Accounting Research*, *30*(2), 482–516. https://doi.org/10.1111/j.1911-3846.2012.01161.x

Chiyachantana, C. N., Nuengwang, N., Taechapiroontong, N., & Thanarung, P. 2013. The effect of information disclosure on information asymmetry. *Investment Management and Financial Innovations*, *10*(1), 225–234.

Dai, Y., Kong, D., & Wang, L. 2013. Information asymmetry, mutual funds and earnings management: Evidence from China. *China Journal of Accounting Research*, *6*(3), 187–209. https://doi.org/10.1016/j.cjar.2013.03.001

Dang, C., & Li, Z. F. 2013. Measuring Firm Size in Empirical Corporate Finance. *SSRN Electronic Journal*, *February*. https://doi.org/10.2139/ssrn.2345506

Dechow, P., Ge, W., & Schrand, C. 2010. Understanding earnings quality: A review of the proxies, their determinants and their consequences. *Journal of Accounting and Economics*, *50*(2–3), 344–401. https://doi.org/10.1016/j.jacceco.2010.09.001

Delvira, M., & Nelvirita. 2013. Pengaruh Risiko Sistematik, Leverage, dan Persistensi Laba Terhadap Earnings Response Coefficient (ERC). *Jurnal WRA*, *1*(1), 129–153.

Dewi, D. 2020. Pengaruh Akuntansi Konservatif, Ukuran Perusahaan, Default Risk, Dan Pertumbuhan Perusahaan Terhadap Koefisisen Respon Laba. *Jurnal Riset Mahasiswa (BRAINY)*, *1*(2), 8.

El-Mahdy, D. F., & Park, M. S. 2014. Internal control quality and information asymmetry in the

secondary loan market. *Review of Quantitative Finance and Accounting*, *43*(4), 683–720. https://doi.org/10.1007/s11156-013-0389-1

Faradilla, N. C., Shodiq, N., & Junaidi. 2015. *Ukuran Perusahaan Terhadap Relevansi Nilai Laba Akuntansi (Studi Empiris Pada Perusahaan Manufaktur Yang Terdaftar Di BEI Selama Periode*. *1*, 1–15.

Fatimah, F., & Sukardan, D. 2018. Csr Disclosure, Profitability and Solvency Towards Firm Value. *Jurnal Riset Akuntansi Kontemporer*, *10*(2), 99–103. https://doi.org/10.23969/jrak.v10i2.1425

Fatma, N., & Hidayat, W. 2019. Earnings persistence, earnings power, and equity valuation in consumer goods firms. *Asian Journal of Accounting Research*, *5*(1), 3–13. https://doi.org/10.1108/AJAR-05-2019-0041

Fitriani, A., Akuntansi, P. S., Belitung, U. B., Opportunity, G., & Coefficient, E. R. 2025. *Pengaruh earnings persistence , growth opportunity , dan default risk terhadap earnings response coefficient pada perusahaan property dan real estate 1,2,3*. *5*, 1296–1304.

Francis, J., LaFond, R., Olsson, P. M., & Schipper, K. 2004. Costs of equity and earnings attributes. *Accounting Review*, *79*(4), 967–1010.

Hakim, M. Z., Aulia, V., Hamdani, H., Hidayat, I., Abbas, D. S., & Pambudi, J. E. 2022. The Effect of Earning Persistence, Company Size, and Capital Structure on the Earning Response Coefficient. *International Journal Of Economics, Business And Innovation Research*, *1*(1), 68–81.

Jasman, J., & Amin, M. N. 2017. Internal audit role on information asymmetry and real earnings management. *Jurnal Akuntansi & Auditing Indonesia*, *21*(2), 95–104.

Jasman, J., & Murwaningsari, E. 2018. The roles of internal audit quality on the relationship between narcissistic CEOs and real earnings management. *Journal of Business & Retail Management Research*, *13*(01), 241–252. https://doi.org/10.24052/jbrmr/v13is01/art-24

Jensen, C., & Meckling, H. 1976. Theory of the Firm: Managerian Behavior, Agency Costs, and Ownership Structure. *Journal of Financial Economics*, *3*, 305–360.

Jiraporn, P., Miller, G. A., Yoon, S. S., & Kim, Y. S. 2008. Is earnings management opportunistic or beneficial? An agency theory perspective. *International Review of Financial Analysis*, *17*(3), 622–634. https://doi.org/10.1016/j.irfa.2006.10.005

Jo, H., & Kim, Y. 2007. Disclosure frequency and earnings management. *Journal of Financial Economics*, *84*(2), 561–590. https://doi.org/10.1016/j.jfineco.2006.03.007

Karampinis, N. I., & Hevas, D. L. 2011. Mandating IFRS in an Unfavorable Environment: The Greek Experience. *International Journal of Accounting*, *46*(3), 304–332. https://doi.org/10.1016/j.intacc.2011.07.001

Khasanah, A. U., & Jasman, J. 2019. Faktor-faktor yang Mempengaruhi Persistensi Laba. *Jurnal Riset Bisnis*, *3*(1), 66–74.

Nisrina, M., & Herawaty, V. 2016. *Peran Intellectual Capital Disclosure sebagai Pemoderasi Pengaruh Perataan Laa, Corporate Governance, Kesempatan Bertumbuh, Persistensi Laba, dan Leverage Terhadap Keinformatifan Laba*. *7*(1), 2016.

Othman, H. Ben, & Mersni, H. 2014. The use of discretionary loan loss provisions by Islamic banks and conventional banks in the Middle East region: A comparative study. *Studies in Economics and Finance*, *31*(1), 106–128. https://doi.org/10.1108/SEF-02-2013-0017

Rachma, N. 2022. Hubungan Struktur Modal (Leverage) Dan Ukuran Perusahaan (Firm Size) Terhadap Earning Response Coeficient Pada Perusahaan Manufaktur Yang Terdaftar Di Bei Periode 2014-2015. *IMPREST : Jurnal Ilmiah Akuntansi*, *1*(1), 31–37. https://doi.org/10.37476/imprest.v1i1.2974

Regina, I., & Cahyaningsih, C. 2020. The Effect of Corporate Social Responsibiity, Default Risk, and Conservatism on Earnings Response Coefficient. *E-Proceeding of Management*, *7*(2), 2787–2797. https://doi.org/10.1016/j.jnc.2020.125798%0Ahttps://doi.org/10.1016/j.smr.2020.02.002%0Ahttp://www.ncbi.nlm.nih.gov/pubmed/810049%0Ahttp://doi.wiley.com/10.1002/anie.197505391%0Ahttp://www.sciencedirect.com/science/article/pii/B9780857090409500205%0Ahttp:

Robu, I.-B., Carp, M., Istrate, C., Popescu, C., & Robu, M.-A. 2016. The Value Relevance of Financial

Information Under the Influence of Country Risks. The Case of the Indian Listed Companies. *Review of Economic and Business Studies*, *9*(2), 77–93. https://doi.org/10.1515/rebs-2016-0035

Sarahwati, Y., & Setiadi, I. 2021. Pengaruh Ukuran Perusahaan, Leverage, dan Profitabilitas Terhadap Earnings Response Coefficient. *Kompartemen: Jurnal Ilmiah Akuntansi*, *19*(2), 121–135. https://doi.org/10.1007/978-1-4419-9863-7_1360

Sari, P. N. 2023. The Effect of Earning Persistence and Growth Opportunities on Future Earning Response Coefficient with Public Ownership as Moderation. *Devotion : Journal of Research and Community Service*, *4*(7), 1545–1556. https://doi.org/10.59188/devotion.v4i7.538

Scott, W. R. 2015. *Financial Accounting Theory* (7th ed.). Pearson.

Spence, M. 1973. Job Market Signaling. *The Quarterly Journal of Economics*, *87*(3), 355–374.

Suhandi, N., & Sutrisno, P. 2022. the Effect of Earnings Persistence, Systematic Risk, and Conservatism on Earnings Response Coefficient. *Jurnal Bisnis Dan Akuntansi*, *24*(1), 87–100. https://doi.org/10.34208/jba.v24i1.972

Suharti, S., & Murwaningsari, E. 2024. *The Effect of Profit Persistency, Business Risk and Capital Structure on Earnings Return Coefficient with Good Corporate Governance as Moderating Variable*. *5*(10), 1–7.

Supattarakul, S., & Rueangsuwan, S. 2024. The economic-based earnings persistence of earnings momentum and its market implications. *International Journal of Accounting and Information Management*, *32*(3), 532–555. https://doi.org/10.1108/IJAIM-08-2023-0214

Yao, L. 2017. Earnings persistence, fundamentals, and anticipation of breaking earnings strings. *Canadian Journal of Administrative Sciences*, *34*(3), 260–276. https://doi.org/10.1002/cjas.1361