

## Table of Contents

ABSTRACT .....	iv
INTISARI.....	v
List of Figures .....	ix
List of Tables.....	x
CHAPTER I .....	1
INTRODUCTION .....	1
1.1 Background .....	1
1.2 Research Question .....	6
1.3 Research Objectives.....	7
1.4 Research Contribution.....	7
1.5 Organization on the Thesis .....	8
CHAPTER II.....	9
THEORETICAL FRAMEWORK AND LITERATURE REVIEWS .....	9
2.1 Theoretical Framework .....	9
2.1.1 Theories of Auditing .....	9
2.1.2 Agency Theory.....	11
2.1.3 Audit Opinion .....	15
2.1.4 Unmodified Audit Opinion with Explanatory Paragraph .....	19
2.1.5 Going Concern Doubt .....	21
2.1.6 Market Efficiency Theory .....	25
2.1.7 Capital Market.....	27
2.1.8 Stock .....	27
2.1.9 Return.....	31
2.1.10 Signaling Theory.....	34
2.2 Literature Review.....	35
2.3 Frameworks.....	37

2.4	Hypothesis Design .....	39
2.4.1	Effect of Unmodified Audit Opinion with Explanatory Paragraph, Unmodified Opinion, Adverse Opinion, and Disclaimer Opinion to Stock Price .....	39
<b>CHAPTER III .....</b>		<b>41</b>
<b>RESEARCH METHODOLOGY .....</b>		<b>41</b>
3.1	Research Design.....	41
3.2	Data Type and Source .....	41
3.3	Population and Sample.....	42
3.4	Data Collection Method .....	42
3.5	Operational Variable Definition.....	43
3.5.1	Dependent variables .....	43
3.5.2	Independent variables .....	43
3.6	Research Object .....	44
3.7	Data Analysis Method.....	44
3.8	Hypothesis Development .....	47
<b>CHAPTER IV .....</b>		<b>49</b>
<b>RESULTS AND ANALYSIS .....</b>		<b>49</b>
4.1	Data Description .....	49
4.2	Data Analysis .....	50
4.2.1	Stock Return.....	50
4.2.2	Abnormal Return.....	53
4.2.3	Hypothesis Test.....	55
<b>CHAPTER V.....</b>		<b>68</b>
<b>CONCLUSION, LIMITATION, AND SUGGESTION.....</b>		<b>68</b>
5.1	Conclusion .....	68
5.2	Limitations and Suggestions .....	70
<b>REFERENCES.....</b>		<b>71</b>

APPENDIX 1 .....	73
APPENDIX 2 .....	79
APPENDIX 3 .....	80
APPENDIX 4 .....	86

## List of Figures

Figure 1 : Agency Theory Overview (Eisenhardt, 1989, 59).....	12
Figure 2 : Theoretical Framework.....	38
Figure 3 : Estimation and test period .....	45
Figure 4 : Stock Return in Unmodified audit opinion with explanatory paragraph ...	51
Figure 5 : Stock Return in Qualified Audit Opinion.....	52
Figure 6 : Stock Return in Going Concern Opinion .....	53
Figure 7 : Average Abnormal Return of Unmodified audit opinion with explanatory paragraph in test period.....	57
Figure 8 : Average Abnormal Return of Companies with Going Concern Opinion ..	61
Figure 9 : Average Abnormal Return of Companies with Qualified Audit Opinion in the test period.....	65

## List of Tables

Table 1: Number of Companies with audit opinion.....	50
Table 2 : Average Abnormal Return of Companies in the test period.....	54
Table 3 : Average Abnormal Return of Companies with Unmodified Opinion with Explanatory Paragraph.....	56
Table 4 : Total Average Abnormal Return in the test Period .....	57
Table 5 : CAAR of Unmodified audit opinion with explanatory paragraph in test period .....	58
Table 6 : Abnormal Return of stock before and after the announcement of unmodified audit opinion with explanatory paragraph.....	58
Table 7 : Average Abnormal Return of Companies with Going Concern Opinion....	60
Table 8 : Total Average Abnormal Return of companies with going concern opinion in test period .....	61
Table 9 : CAAR of companies with going concern audit opinion.....	62
Table 10 : Abnormal Return of stock before and after the announcement of going concern opinion .....	62
Table 11 : Average Abnormal Return of Companies with Qualified Audit Opinion .	64
Table 12 : Total Average Abnormal Return of Companies with Qualified Audit Opinion in test period .....	66
Table 13 : CAAR of Companies with Qualified Audit Opinion.....	66

Table 14 : Abnormal Return of Stock before and after the announcement of qualified audit opinion.....	67
--	----