4.5. Resume of Test

The result of data test examined by the single linear regression method shows that profit (loss) publication event has no significant reaction to investors of companies that publish profit (loss). This can be seen that the differences between AAR (Average Abnormal Return) of companies that publish profit and loss for year of 2000 – 2003 are not significant.

The phenomenon above can explain that there is no information content on financial statement publication. This is based on the understanding concept that if there is information content on an event conducted by company, it will be followed by the change of abnormal return significantly.

The concept explains that an event or an activity conducted by a company having an information content will become a reason for investors to react significantly. As a conclusion, a significant reaction to companies that publish profit and loss has been a phenomenon explaining that investors' behavior in Indonesian stock market will be effected by the companies' events. One of them is related to profit (loss) publication.

According to efficient capital market hypothesis, the phenomenon above is usually related to an understanding that stock price and stock return reflect all relevant information. Every new information in the efficient stock return will be reflected on the stock prices, and than it will be reflected on the stock prices to create proper return quickly. So, if there is a reality of the suitability of the tested data with the efficient capital market hypothesis, it can be concluded that the stock return has been efficient. This means that Indonesian capital market has been an