ABSTRACT

For a company, it is vital to publish their risk disclosure as a mean for fulfilling the information need for their stakeholder, for example, their investor and creditor. Risk disclosure is an appropriate and essential action, according to good governance theory. Risk disclosure is carried out as a mean of controlling to reduce the information difference between stakeholders. Annual report-which is a mandatory for public company to publish-is one of the media that an can be employed to present a company's risk disclosure. This study aimed to analyze the effect of firm size, industry type, leverage, profitability, liquidity and public shareholding on risk disclosure among 150 listed companies in Bursa Effect Jakarta within 2016. Content analysis is employed to calculate Risk Disclosure Score indicating level of risk disclosure practices among the sampled companies.The calculation is conducted based on 41 disclosure item proposed by Zhang. The result of this study showed that all six variables proposed have positive and significant effects on risk disclosure.This study also revealed that mean value of Risk Disclosure Score among sampled companies is 80.46% where financial risk disclosure is the most common category disclosed by the company.

Keyword: risk disclosure, firm size, industry type, leverage, profitability, liquidity, public shareholding