

## ABSTRACT

*Financial accounting information is one of important information used by investors in making an investment decisions and measuring a company's performance. One of the information is annual accounting earnings information. The purpose of this study is to analyze the influence of accounting earning information to stock prices and trading volume activity. The study also analyses various market reaction based on data from Jakarta Stock Exchange annual accounting report. Twenty two top gainer companies in 2000 based on JSX Statistic 2000 are sampled for this study*

*Data of earning, closing price, and trading volume used from the 1997-2000 period analysed, while for analyzed market reaction data used in only 1997, 1998, 1999, 2000 and 2001. The statistical method user for analyzed the influence of accounting earnings on stock prices and trading volume is linier regression, T-test and Pearson coefficient correlation determination on the 5% level significance, the market reaction statistical n.ethod used is critical two tail test. The data collected for this study was computer analyzed, using Microsoft Excel XP and SPSS ver. 11.0 program. The statistical result indicated that earnings significantly affect trading volume but not effect on stock price. From the market reaction test proved that for financial statements of December, 31 1997 the reaction did not significant while for the financial statement of December,31 1998, or the financial statement of December,31 1999, or the financial statement of December,31 2000, or the financial statement of December,31 2001. 1 significantly affect on 1,2, 10 and 20 days after financial statements publications*

*Keywords : Financial accounting information, accounting earning information, stock prices, trading volume activity.*