

ABSTRACT

ANALYSIS THE INFLUENCE OF GOOD CORPORATE GOVERNANCE MECHANISM, PROFITABILITY AND EARNINGS MANAGEMENT MOTIVATIONS TO EARNINGS MANAGEMENT PRACTICE (Case Study of Manufacturing Company listed in The Indonesian Stock Exchange)

By : FENI TRI MINARNI

This research objective is to examine the influence of good corporate governance mechanism, profitability and earnings management motivations to Earnings Management Practice. Good corporate governance mechanism includes audit committee independent, managerial ownership, board commissioner independent, and institutional ownership. Profitability and Earnings management motivations includes bonus plan motivation, debt covenant motivation, and political cost motivation. Earnings management measured with modified Jones model. The sample used in this research is 14 manufacture firms listed in The Indonesian Stock Exchange at period 2009-2013.

The result of this research indicates that, this research find influence of institutional ownership, Profitability and bonus plan motivation to earnings management practice, but cannot find influence of audit committee independent, managerial ownership, board commissioner independent, debt covenant and political cost motivation to earnings management practice.

Keywords : good corporate governance mechanism, audit committee independent, managerial ownership, board commissioner independent, institutional ownership, profitability, earnings management motivations, bonus plan motivation, debt covenant motivation, political cost motivation and earnings management practice.