

ABSTRACT

ANALYSIS INFLUENCE OF CORPORATE GOVERNANCE STRUCTURE ON THE FIRM VALUE WITH EARNINGS QUALITY AS INTERVENING VARIABLE

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This study aims to find empirical evidence about the influence of corporate governance on firm value with earning quality as intervening variable. Corporate governance used four variables that are institutional ownership, board of independent commissioners, and audit committee.

Earnings quality was measured with Discretionary Accrual (DA) and firm value was measured with Tobin's Q ratio. The population in this research is all the companies in LQ 45 index in Indonesia Stock Exchange (IDX) during 2011 to 2013 period. The sampling method in this research is purposive sampling with 68 companies as population and 30 companies as samples. The data was analyzed using Statistical Package for the Social Science or also well known as SPSS.

The results shown that board of independent commissioners and audit committee influenced earnings quality, while another variable like institutional ownership did not influence earnings quality. The variable that influenced firm value is institutional ownership, while other variables like board of independent commissioners, audit committee, and earnings quality did not influence firm value. The results also shown that earnings quality was not the intervening variable.

Keywords : Corporate governance, institutional ownership, board of independent commissioners, audit committee, earnings quality, firm value.