

ABSTRACT

THE EFFECT OF GOOD CORPORATE GOVERNANCE, AUDIT QUALITY, AND LEVERAGE ON EARNINGS MANAGEMENT PRACTICES

By

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The aim of this study is to examine the influence of The proportion Independent Commissioner Board, the Audit Committee, Audit quality, and leverage to earnings management. The analytical method used is multiple regression. This study uses empirical data from the Indonesia Stock Exchange with a sample of 17 companies that follow preceptions Corporate Governance Index (CGPI) of the Year 2010-2013

Based on the results of the study hypothesis test to prove that the Audit Committee significant positive effect on earnings management as evidenced by the significant value of $0.034 > 0.05$. The proportion of BOC Independent significant negative effect on earnings management as evidenced by the significant value of $0.032 < 0.05$. Audit Quality significant negative effect on earnings management as evidenced by the significant value of $0.339 > 0.05$. Leverage significant negative effect on earnings management as evidenced by the significant value of $0.989 < 0.05$.

Keywords: earnings management, proportion of Independent Commissioner Board, the Audit Committee, Audit Quality, and Leverage.