

ABSTRACT

THE EFFECT OF SHORT-TERM OPTIMIZATION OF MANAGEMENT ON MANDATORY DISCLOSURE LEVEL OF MANUFACTURING COMPANY

By

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Research that discusses the concept of earnings management on the level of corporate disclosure has been done by many researchers, but in general, these studies emphasize on accrual earnings management undertaken by management to the level of disclosure, in fact there is other earnings management has a worse impact than accrual earnings management, it is real earnings management. The object of this study is to test whether the short-term optimization of management as one form of real earnings management has a negative influence on mandatory disclosure level of manufacturing company. Retrieving data using purposive sampling on companies suspected doing real earnings management. Data analysis using a panel data model, because research data are data from several individuals collected from time to time. Testing hypotheses using fixed effect estimation model. The result showed that the alternative hypothesis that is supported short-term optimization of management has a negative effect on the level of corporate mandatory disclosure. It means that the bigger the real earnings management in the form of short-term optimization of management, the lower the mandatory disclosure level of manufacturing company.

Key words: short-term optimization of management, corporate mandatory disclosure level