

ABSTRACT

The objective of this research is to investigate the impact of PSAK-Based Implementation of IFRS on the Quality of Financial Statements. This research explored Earnings Management and Timeliness as a proxy of the Quality of Financial Statements.

The population of this research is a company listed on the Indonesia Stock Exchange from 2011-2012. Samples were selected based on several criteria and after passing through the stage of purposive sampling is the number of samples obtained as 322 sample firms. The analysis technique used in this study is a multiple linear regression analysis.

The results suggested that the implementation of PSAK-based IFRS in Indonesia can improve quality of financial statements as evidenced by reduced levels of earnings management and reporting decreasing lag.

Keywords: Earnings Management, Reporting Lag, IFRS