

ABSTRACT

ANALISIS PENGARUH *GOOD CORPORATE GOVERNANCE* (GCG) TERHADAP PRAKTIK *EARNINGS MANAGEMENT* PADA PERUSAHAAN MANUFAKTUR YANG TERDAFTAR DI BURSA EFEK INDONESIA

By

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This study aims to empirically examine the effect of the implementation of Good Corporate Governance (includes independent boards, audit committees, and top share) to the practice of earnings management as measured by the value of discretionary accruals in companies registered in manufacture sector in Indonesia Stock Exchange (BEI).

The samples is obtained by using purposive sampling method. Based on the existing criteria, there are 15 samples of a manufacturing company with a research sample period 2005-2008. The hypothesis testing is done by using multiple linear regression analysis. Prior to conducting the multiple linear regression analysis, first is performing classical assumption test.

The results of this study indicate that an independent board has a negative effect the practice of earnings management. While the audit committee and top share does not have any effect on earnings management practices.

Keywords : good corporate governance, earnings managment, discretionary accrual, independen board, audit committee, top share