

ABSTRACT

This study is performed to examine the effect of Corporate Governance (Institutional Ownership, Managerial Ownership and Audit Committee) toward earnings management to impact company value. The objective of this study is to scale and analyze the effect of the Corporate Governance (Institutional Ownership, Managerial Ownership and Audit Committee) toward earnings management and leverage to impact company value in manufacturing industry that listed in Bursa Efek Indonesia over period 2010-2013.

Sampling technique used here is purposive sampling. The data is obtained based on Indonesian Capital Market Directory (ICMD). It is gained sample amount of 34 data. The analysis technique used here is multiple regression with the least square difference and hypothesis test using t-statistic to examine partial regression coefficient and f-statistic to examine the mean of mutual effect with level of significance 5%. In addition, classical assumption is also performed including normality test, multicollinearity test, and heteroscedasticity test.

During 2010-2013 period show as deviation has not founded this indicate classical assumption that the available data has fulfill the condition to use multi linier regression model. Empirical evidence show that institutional ownership and managerial ownership have influences toward earning management at level of significance less than 5%. Institutional ownership, earning management and leverage also have influence toward company value at level of significance less than 5%.

Keywords: Institutional ownership, managerial ownership, audit committee, earning management, leverage and company value