

## ***Abstracts***

*The objective of this research is designed to develop conceptual framework of association between of audit committee characteristics including size, independence, expertise and activity with earning quality that approximated by earning management, conservative accounting and earnings response coefficient (ERCs)*

*The population of this study was conducted among the manufactures listed in Indonesian Stock Exchange (BEI) between 2004 and 2006. The purposive sampling method was used and provided 58 samples manufactures. and so provided 151 pooling data. The datum was included and analyzed using path analysis with LISREL 8.7.*

*The results find significant evidence of a positive association between audit committee characteristics of size and independence and earnings response coefficient (ERCs) and earnings management but not with accounting conservatism. The second of results indicate that audit committee characteristics of expertise and activity not positive affect earnings response coefficient (ERCs) and earning management and accounting conservatism. The third find significant evidence of a negatively association between earnings management and earnings response coefficient (ERCs). The last results show that earnings management and accounting conservatism were not mediate of association between audit committee characteristics and earnings response coefficient (ERCs)*

*Keyword: earnings quality, earnings management, accounting conservatism, audit committee, earnings response coefficient*