

TABLE OF CONTENTS

TITLE PAGE	i
APPROVAL OF THESIS	ii
APPROVAL OF EXAMINATION PASSAGE	iii
STATEMENT OF ORIGINALITY	iv
ABSTRACT	v
ABSTRAKSI	vi
MOTTO AND DEDICATION	vii
FOREWORD	viii
TABLE OF CONTENTS	x
LIST OF TABLES	xiv
LIST OF FIGURES	xv
LIST OF APPENDICES	xvi
CHAPTER I INTRODUCTION	1
1.1. Research Background	1
1.2. Problem Statement	10
1.3. Research Objectives	11
1.4. Research Contributions	12
1.5. Structure of Thesis	13
CHAPTER II LITERATURE REVIEW	14
2.1. Theoretical Background	14
2.1.1. Hexagon fraud theory	14
2.1.2. Financial statement fraud	19
2.2. Prior Research	21
2.3. Research Framework	30
2.4. Hypotheses Formulation	32

2.4.1. Stimulus proxied by financial stability has a positive effect on financial statement fraud.	32
2.4.2. Stimulus proxied by external pressure has a positive effect on financial statement fraud.	33
2.4.3. Stimulus proxied by financial target has a positive effect on financial statement fraud.	35
2.4.4. Capability proxied by director change has a positive effect on financial statement fraud.	36
2.4.5. Collusion proxied by political connection has a positive effect on financial statement fraud.	38
2.4.6. Opportunity proxied by nature of industry has a positive effect on financial statement fraud.	39
2.4.7. Opportunity proxied by effective monitoring has a negative effect on financial statement fraud.	41
2.4.8. Rationalization proxied by auditor change has a positive effect on financial statement fraud.	42
2.4.9. Ego proxied by number of CEO's pictures has a positive effect on financial statement fraud.	44
CHAPTER III RESEARCH METHODS.....	46
3.1. Research Design.....	46
3.2. Research Population and Sampling.....	46
3.3. Research Variables and Operational Definition of Variables.....	48
3.3.1. Dependent variable.....	48
3.3.2. Independent variables.....	49
3.4. Research Instruments.....	55
3.5. Research Location and Time.....	55
3.6. Data Collection Methods.....	55
3.7. Data Analysis Method.....	57

3.7.1. Meta-analysis.....	57
CHAPTER IV RESULTS AND DISCUSSIONS	67
4.1. Description of Research Objects	67
4.1.1. Included studies	67
4.1.2. Heterogeneity test.....	68
4.2. Results	70
4.2.1. Summary Effect.....	70
4.2.2. Publications Bias	72
4.3. Discussions	78
4.3.1. The summary effect of the relationship between stimulus proxied by financial stability and financial statement fraud.....	78
4.3.2. The summary effect of the relationship between stimulus proxied by external pressure and financial statement fraud.	79
4.3.3. The summary effect of the relationship between stimulus proxied by financial target and financial statement fraud.	80
4.3.4. The summary effect of the relationship between capability proxied by director change and financial statement fraud.....	81
4.3.5. The summary effect of the relationship between collusion proxied by political connection and financial statement fraud.	83
4.3.6. The summary effect of the relationship between opportunity proxied by nature of industry and financial statement fraud.	84
4.3.7. The summary effect of the relationship between opportunity proxied by effective monitoring and financial statement fraud.....	85
4.3.8. The summary effect of the relationship between rationalization proxied by auditor change and financial statement fraud.....	86
4.3.9. The summary effect of the relationship between ego proxied by number of CEO’s pictures and financial statement fraud.	87
CHAPTER V CONCLUSIONS.....	88

5.1. Research Conclusions and Implications	88
5.2. Research Limitations and Suggestions	90
BIBLIOGRAPHY	91
APPENDIX	97