

## **ABSTRACT**

*This research was conducted to examine the impact of free cash flow, profitability, and leverage to earnings management with audit quality as a moderate among manufacture company listed in Indonesia Stock Exchange. In this research, dependent variable is earnings management while the independent variables are free cash flow, profitability, leverage, and audit quality. Audit quality in this research is also used as moderate variables.*

*This research uses secondary data which are annual reports of manufacture company listed in Indonesia Stock Exchange among 2015. This research uses purposive sampling method to select it's same. There are 138 samples selected for this research. The impact of free cash flow, profitability, and leverage to earnings management with audit quality as a moderate is analyzed using double regression method.*

*The impact of free cash flow has no effect on earnings management, profitability and leverage has a positive and significant impact to earnings management, and audit quality has a negative and significant impact to earnings management. In addition, audit quality as a moderating variable is unable to detect a negative relationship between free cash flow and earnings management, as well as the relationship between profitability and earnings management, but audit quality is able to detect a positive relationship between leverage and earnings management.*

*Keywords : Free cash flow, Profitability, and Earnings Management*