

ABSTRACT

This study aims to examine and obtains empirical evidence about the impact adoption IFRS to earning quality .the earning quality proxied by earning management models and value relevance models. Earning management models measured by discretionary accrual and the value relevance models measured by price on 31 march . The dependent variable in this research is earning management and price. The independent variable of this research is IFRS, earning per share (EPS) and book value per share (BVPS).

This research using an fifth-year long range of time, with 2010-2011 as the period pre-IFRS-based, 2012 and 2014 as the period of post-IFRS. This research using 565 sample of Indonesian listed companies and using the purposive sampling as the sampling method. Hypothesis testing using ordinary least square regression. The result of this research shows that under the new set of accounting standards, the quality of earnings reported by these companies is relatively higher. Specifically, the study tests whether the level of earnings management is significantly lower after the adoption of IFRS, and reported earnings has no value relevant to price after adoption of IFRS.

Keywords: IFRS, earning quality, earning management and price.