ABSTRACT

This research attempt to investigate the ability financial ratio debt to asset, debt to equity, return on asset, return on equity, return on investment, gross profit margin, operating profit margin, net profit margin, dividend payout ratio, dividend yield ratio to detect fraudulent financial reporting. Financial ratio is expected to detect fraudulent financial reporting.

This study used secondary data taken from website Indonesian Stock Exchange (IDX) that is LQ45 company from 2014-2015 and the companies list of suspended by IDX from the year 2014 and 2015. Using purposive sampling method, data analysis includes descriptive statistic, multikolonieritas, logistic regression. Analyzing data using IBM SPSS software version 20.

Based on the results, debt to asset (DTA)*, debt to equity* (DTE)*, return on asset* (ROA)*, operating profit margin (OPM), dividend payout* (DPR)*, and dividend yield* (DYR) *ratios shows that has significant to detect fraudulent financial reporting. While return on equity* (ROE)*, return on investment (ROI), gross profit margin (GPM), and net profit margin* (NPM) ratios *has not significant to detect fraudulent financial reporting.*

Key words: fraudulent financial reporting, financial ratio