

ABSTRACT

This research aims to analyze the influence of companies status, both Islamic and non-Islamic, to the level of earnings management practices by the non-financial service companies in Indonesia. Researcher measured the earnings management by using accrual discretioner in the Dow Jones modified model. The classification of Islamic and non-Islamic status was based on Indeks Saham Syariah Indonesia (ISSI).

Based on agency theory, reseacher analyzed the earnings management practices in the Islamic companies and non-Islamic companies by using Islamic principles. The sample consists of 115 non-financial service companies in Indonesia for 2 years. Research design using multiple linear regression analysis.

The result of this research shows that Islamic as a company status does not have significant influence toward the level of earnings management practices by the non-financial service companies in Indonesia.

Keyword: Islamic company, earnings management, company status, Indeks Saham Syariah Indonesia, Islamic investment.