

ABSTRACT

The purpose of this research is to analyse the influence of IFRS convergence and Good Corporate Governance (GCG) to earning management. The study sample involved manufacturing companies in the Indonesia Stock Exchange (IDX – Bursa Efek Indonesia) from 2010 to 2012.

The number of samples in this research were 102 companies in 2010, 104 companies in 2011, and 96 companies in 2012 with total research sample were 302 samples. Purposive sampling method was used in this study. The data analysis used in this research was multiple regression linier and the data has passed the classical assumptions test.

The result of this research stated that IFRS convergence doesn't influence the earning management significantly and Good Corporate Governance has significantly influenced the decreasing of earning management practice.

Keyword: IFRS Convergence, Good Corporate Governance, Transparency and Disclosure Index, Earning Management