

## **ABSTRACT**

*The research aims of this study was to examine the role of financial ratios to detect fraudulent financial reporting on non-financial companies in Indonesia. The ratio used in this study are leverage ratio, profitability ratio, asset composition ratio, liquidity ratio and capital turnover ratio.*

*Based on agency theory and signalling theory, researchers conducted a study on a sample of 31 fraud companies and 77 non-fraud companies. Data of companies that commit fraud obtained from the Capital Market Sanctions List issued by Otoritas Jasa Keuangan Jakarta at period 2011-2015. Then the data is compared with the non-fraud companies by industry, company size and year. This study design using logistic regression analysis.*

*The statistics result of this research shows that the leverage ratio and profitability ratio have a significant role to the detect fraudulent financial reporting.*

*Keywords: fraudulent financial reporting, financial leverage, profitability, asset composition, liquidity, capital turnover*