

## **ABSTRACT**

*This study aimed to examine the effect of other comprehensive income disclosure of earnings management and its implication to cost of equity capital. This study used the size of company, leverage, and cash flow of operating activity to examine other comprehensive income disclosure of earnings management.*

*The population in this study is non financing company listed in Indonesia Stock Exchange in 2012-2013. Sampling method in this study is purposive sampling. Criteria used company that disclose other comprehensive income during this study period. Total number of samples in this study were 58 companies for two periods which mean 116 data. The analysis technique used is regression.*

*The analysis show that the other comprehensive income disclosure significantly have positive relationship with earnings management. Meanwhile earnings management have negative effect cost of equity significantly.*

**Keywords:** *comprehensive income, other comprehensive income, earnings management, cost of equity capital*