

ABSTRACT

This study aims to provide empirical evidence about relationship between corporate charitable contributions towards earnings management with return on asset, leverage, and the size of company as control variables.

The sample of this study are random companies listed on the Indonesia stock exchange in 2014. The method is purposive sampling that based on criterion which has been determined before. Hypothesis in this study is tested by simple regression analysis method.

The results of this study indicates that corporate charitable contributions is not significant on earning management. While control variables that are included in this study such as return on assets (ROA), leverage, and the size of the company, only the return on asset (ROA) which having significantly effect to earnings management.

Key words: Earnings management, Corporate Charitable Contributions, Return on Asset (ROA), Leverage, Company Size