ABSTRACT

This study aims to analyze the influence of CSR disclosure on earnings management. We also include environmental performance measured by PROPER rank as moderating variable to test whether environmental performance can moderate the influence of CSR disclosure on earnings management. we use discretionary accruals and real activities manipulation to measure earnings management.

This study uses 169 samples of manufacturing firms that listed in Indonesian Stock Exchange (IDX) during 2011 to 2013. The sampling method used for this study is purposive sampling. Type of the data used is secondary data. Data analysis used are descriptive statistics, classical assumption tests, multiple regression analysis, and Moderated Regression Analysis (MRA).

The result of this study shows that CSR disclosure negatively and significantly related to real activities manipulation and discretionary accruals. We also find that environmental performance moderated the influence of CSR disclosure on discretionary accruals.

Keyword: CSR disclosure, earnings management, discretionary accruals, real activities manipulation, environmental performance