

## **ABSTRACT**

*The aims of this study is to examine influence of corporate governance mechanism and earnings management on liquidity. Independent variables used in this study is corporate governance and earnings quality. Corporate governance was measured by proportion independent commissioner, composition of audit committee, meetings of audit committee and institutional. Earnings quality was measured by earnings management. Dependent variable in this study is stock liquidity, it was measured by trading volume.*

*Population in this study is non-financial companies listing in LQ 45 index in 2011-2013. Samples are obtained by purposive sampling method with a total of 90 companies in three years observation. Hypothesis testing method used is multiple regression analysis.*

*Result of this research indicates is composition of audit committee and earnings management had a significant positive effect to trading volume. Institutional ownership had a significant negative effect to trading volume. Meanwhile, proportion of independent commissioner and meetings of audit committee had not significant effect to trading volume.*

*Keywords : Independent Commissioners, Meetings of Audit Committee, Composition of Audit Committee, Institutional Ownership, Earnings Management, Trading Volume.*