

TABLE OF CONTENTS

TITLE PAGE	i
THESIS APPROVAL	ii
SUBMISSION	iii
CERTIFICATE OF ORIGINALITY	iv
MOTTO AND DEDICATION	v
ACKNOWLEDGEMENT	vi
ABSTRACT	x
ABSTRAK	xi
TABLE OF CONTENTS	xii
LIST OF TABLES	xv
LIST OF APPENDICES	xvi
CHAPTER I INTRODUCTION	
1.1 Background	1
1.2 Research Question	7
1.3 Purposes and Usefulness	7
1.4 Structure of Thesis	8
CHAPTER II LITERATURE REVIEW	
2.1 Theoretical Background	10
2.1.1 Legitimacy Theory	10
2.1.2 Stakeholder-Agency Theory.....	11
2.1.3 Corporate Social Responsibility	14
2.1.4 Corporate Social Responsibility Reporting	17
2.1.5 Global Reporting Initiative (GRI) Index	18
2.1.6 Earnings Management	26
2.1.6.1 Earnings Management Definition	26
2.1.6.2 Motivations on Earnings Management	27

2.1.7 Real Activity Manipulation	29
2.2 Previous Researches	30
2.3 Research Framework	33
2.4 Hypothesis Development	35
CHAPTER III RESEARCH METODOLOGY	
3.1 Operational Variable Definition and Measurement	38
3.1.1 Earnings Management	38
3.1.2 Corporate Social Responsibility Reporting	42
3.1.3 Firm Size	42
3.1.4 Leverage	43
3.1.5 Return on Assets	43
3.1.6 Growth Opportunity	43
3.2 Population and Sample	44
3.3 Data Source	44
3.4 Data Collecting Method	44
3.5 Analysis Method	45
3.5.1 Hausman Specification Test	45
3.5.2 Exogeneity Test	46
3.5.3 Two-Stages Least Squares (2SLS) Analysis	46
3.5.4 F-Test Statistics	49
3.5.5 T-Test Statistics	50
3.5.6 Coefficient of determination Test (R^2)	51
CHAPTER IV RESULT AND DISCUSSIONS	
4.1 Research's Objects Description	53
4.2 Data Analysis	54
4.2.1 Descriptive Statistics Analysis	54
4.2.2 2SLS Analysis	56
4.2.2.1 Hausman Specification Test	57
4.2.2.2 Exogeneity Test.....	57

4.2.3 Hypotheses Test Result	58
CHAPTER V CONCLUSIONS AND SUGGESTIONS	
5.1 Conclusions	68
5.2 Limitations	69
5.3 Suggestions	70