

ABSTRACT

This study aims to examine managerial ownership structure, firm size, and corporate governance on earnings management. Earnings management was measured by discretionary accruals, ownership managerial structure was measured by the percentage stock of managerial, firm size was measured by the natural logarithm of total assets, and corporate governance was measured by three variables (composition of board independent commissioners, total of audit committee, and KAP size big 4 or non big 4).

This study used data of 111 manufacturing companies listed in BEI from 2009-2011. Methods of data collection used purposive sampling techniques. The data were then analyzed using multiple regression analysis.

The results show that the managerial ownership structure and firm size have no significant effect on earnings management. Meanwhile, Corporate Governance (composition of board independent commissioners, audit committee, and KAP size) has a significant effect on earnings management.

Keywords : earnings management, corporate governance, managerial ownership structure, firm size, composition of board independent commissioners, audit committee, and KAP size.