

ABSTRACT

This study aimed to examine the effect of disclosure of corporate social responsibility (CSR Disclosure) against earnings management with a view of both perspectives: ethical perspective and the perspective of the political cost. Independent variables used in this study is the disclosure of CSR (CSR Disclosure) measured by CSR Index is based on the GRI (Global Reporting Initiative). The dependent variable used is measured using earnings management proxy of discretionary accrual. This study uses size, return on assets, leverage and growth.

The population in this study is a mining and manufacturing company listed on the Stock Exchange in the year 2012-2014. The method of selecting the data used in this research is purposive sampling method. Total samples used in this study as many as 186 companies. Data analysis was performed with the classical assumption and hypothesis testing regression method.

The results of this study indicate that danya significantly negative correlation between earnings management with CSR Disclosure without political cost. While significant positive relationship was found between earnings management with CSR Disclosure when the political cost into account.

Keyword : *corporate social responsibility disclosure, earnings management, leverage, growth, size, and return on assets.*