

ABSTRACT

The research aimed to give empirical evidence concerning the effect of the IFRS convergence on accruals and real earnings management. The main variables in this research are IFRS and earnings management. The research also includes several control variables i.e. growth, CFO, size, leverage, eissue, dissue, and big4. The research objects were the manufacturing companies listed in Indonesia Stock Exchange in 2009 and 2012. The sample used by 182 companies. The data were analyzed by using multiple regression analysis with SPSS version 20.

In this research, the adoption of IFRS indicates the positive effect on accruals and real earnings management. The other result indicates that among the seven control variables, leverage and dissue are found to not significantly affect the accruals earnings management. While for real earnings management just growth, CFO, size, and big4 are found to not significantly affect the real earnings management. Based on this research concluded that the convergence of IFRS has not fully guaranteed a decrease in earnings management yet.

Keywords : IFRS convergence, accruals earnings management, real earnings management, manufacturing companies.