

ABSTRACT

This research purposed to analyze the effect of good corporate governance mechanism (board of commissioners, managerial ownership, and institutional ownership) towards earnings management, and the effect of profitability and leverage towards earnings management.

This research used 96 samples of banking companies listed in BEI on period 2007-2009. The measured by linear regression with SPSS program. In collection data, this research analyzed secondary data obtained from ICMD (Indonesia Capital Market Directory) and Indonesian Stock Exchange.

Analysis result showed that : Board of commissioners, managerial ownership, institutional ownership, profitability and leverage have significant effect towards earnings management.

Keywords: Board of commissioners, managerial ownership, institutional ownership, profitability, leverage, earnings management.