

ABSTRACT

The purposes of this study is to provide empirical evidence about the effects of company size, company liquidities, leverage, and profitability on the level of mandatory disclosure in financial reports of manufacturing companies listed in Indonesia Stock Exchange in the period 2008-2009.

Data used in this study is secondary, financial reporting 2008-2009 from Indonesia Stock Exchange. The population of this study are manufacturing companies listed in Indonesia Stock Exchange from 2008-2009. The sample of this study are 32 companies in two years, total are 64 financial reports of manufacturing companies. The sample drawn by purposive sampling and fulfill sample selection criterion. The mandatory disclosure index consisting of 553 mandatory items was developed to measure the level of mandatory disclosure in financial reports and multiple regression analysis was employed to test the research hypothesis.

The result of this research show that not all of independent variables have a positive and significant effect on the dependent variabel the level of mandatory disclosure. Company size have a positive and significant effect on the level of mandatory disclosure, while leverage has a negative and significant effect. Company liquidities and profitability have no significant effect on the level of mandatory disclosure.

Keywords: financial report, mandatory disclosure, company size, liquidity, leverage, profitability