

## **ABSTRACT**

The aim of this research is to investigate the influence of corporate governance mechanisms, and firm size to earning management. Corporate governance mechanisms that used in this research, such as : institutional ownership, managerial ownership, board of commissioner, board of commissioner composition, and audit committee.

The sample in this research are manufacturing companies which were listed in Indonesia Stock Exchange.in the year of 2004-2008. Total sample in this research are 55 companies that selected with purposive sampling method. This research uses multiple regression analysis method to investigate the influence of corporate governance mechanisms and firm size to earning management.

The results of this research indicate that institutional ownership, managerial ownership, and firm size had negative significant influence to earning management. Board of commissioner, board of commissioner composition, and audit committee had not significant influence to earning management.

Keyword : earning management, corporate governance mechanisms, size