

## **ABSTRACT**

*This research aims to examine the influence of corporate governance between the relation of information asymmetry with earnings management. Samples in this research is 22 companies in banking sector at the Indonesian Stock Exchange, which were published in financial reports from 2005-2007.*

*The method of analysis in this research used multiple regression analysis with assumption Ordinary Least Square (OLS) consist of three regression model (using moderating variabls : corporate governance consists of : board of commisioner composition, board of commisioner size and audit committee size) to examine the influence cf corporate governance between the relation of information asymmetry with earnings management.*

*Results indicate that audit committee size is able to moderate relation of information asymetry and earnings management, but board of commisioner composition and board of commisioner size are unable to moderate the link between information asymetry and earnings management. This is possible because every company often formed board of commisioner only for obeying the regulations which every company should have board of commisioner.*

*Key words : Information Asymmetry, Earnings Management, Corporate Governance, Board of Commisioner Composition, Board of Commisioner Size, Audit Committee Size*