ABSTRACT

This research attempt to investigate the ability financial ratio (cash ratio, debt to total asset, inventory turnover, quick ratio, receivable turnover, ROI, gross profit margin,EPS, PER, ROA), firm size, profit growth to detect fraudulent financial reporting. Financial ratio is expected to detect fraudulent financial reporting.

This study used secondary data taken from website CGPI as corporate governance rating agencies from the year 2002, 2003, 2004, 2005, 2006 and the companies list of investigation from annual report Bapepam from the year 2004 and 2005. Using purposive sampling method, data analysis includes descriptive statistic, multikolonieritas, logistic regression. Analyzing data using IBM SPSS software version 20.

Based on the results, cash ratio, return on investment shows that has significant to detect fraudulent financial reporting. While quick ratio, inventory turnover, debt to total asset, receivable turnover, gross profit margin, EPS, PER, ROA has not significant to detect fraudulent financial reporting.

Key words : fraudulent financial reporting, financial ratio, firm size, Profit growth