

## **ABSTRACT**

*Financial report is one of the instruments used as a means of communication manager of the company with the stakeholders. Through the financial statements, the manager informs them accountable for the use and management of resources that have been entrusted to achieve the objectives of the company. One of the information used is profit. Therefore, the earnings reflected in the financial statements must be qualified in order to be useful for decision makers. So it's not just high or low figures income course which considered by the stakeholders, but also the quality of profit itself. The proxy used to measure the quality of earnings based on the nature of income in this study is the persistence of earnings and the quality of accrual.*

*The purpose of this study is to test the effect of managerial ability on the persistence of earnings quality and accruals with managerial ownership as moderating variable. The population in this study, using the company sector property, real estate, and building construction listed on the stock exchange the period of the years 2014-2018, the research sample obtained by using the method of purposive random sampling, a number of 155 data. The analysis technique used is regression analysis with a model of moderation.*

*Based on the results of the study, it was found that managerial ability has a significant positive effect on earning persistence and accrual quality. Managerial ownership variables can moderate or strengthen the influence of managerial ability on earning persistence and accrual quality.*

**Keywords:** *Managerial Ability, Earning Persistence, Accrual Quality, Company Size, Cash Flow Volatility*