

ABSTRACT

The purpose of this study was to test the effect of three dimension are pressure, opportunity, and rationalization (Fraud Triangle) against fraudulent financial statements are measured using Beneish (M-SCORE). This research also has another purpose of assessing the effectiveness of the model Beneish (M-SCORE) in exposing fraudulent financial statements. Analysis Model Beneish a mathematical model created by Professor Daniel Beneish Messod formulated by some ratio analysis to identify the occurrence financial statements fraud or other manipulation activities.

Samples from this study are 120 observations from finance companies Non LQ-45 listed on the Indonesia Stock Exchange period 2012 to 2014. While the method of analysis used to evaluate the effects of fraud against fraud triangle financial report is a logistic regression analysis. Pressure, opportunity, and rationalization of each was measured using the financial targets, effective monitoring, and audit change.

The results showed that all three independent variables pressure, opportunity, and rationalization proved better at predicting models. And if tested partially, then the only financial targets measuring instrument of pressure has positive effects on fraudulent financial statements. While effective monitoring measuring instrument of opportunity and audit change of measuring instruments of rationalization does not affect the fraud financial statement.

Keywords: Fraud Triangle, financial targets, effective Monitoring, Audit Change, Beneish M-SCORE