

### ***Abstract***

This study aimed to obtain empirical evidence about the influence of auditor quality, managerial ownership, to earnings management of the manufacturing companies in Indonesia. Auditor quality was proxied by KAP big four and KAP non big four. Jones models used to calculate discretionary accruals (a proxy for earnings management). The population of this study was a 16 company listed on the Indonesia Stock Exchange in 2010-2014. The sample of this study was the Automotive and Component manufacturing 8 companies listed in Indonesia Stock Exchange in 2010-2014 using data panel method that fulfilled the criteria for sample selection with hypothesis testing of statistic t and F test. The sample used counts of 8 companies. The results of this study showed that the audit quality had no significantly effect the positive direction on earnings management. Meanwhile Managerial Ownership had no significantly the negative direction on earnings management in the Automotive and Component manufacturing companies in Indonesia.

Keywords: Audit Quality, Managerial Ownership, Earnings Management