

ABSTRACT

The companies listed in the Kompas100 Index are large public companies with high market capitalization, where the stock is in demand by investors. Public companies with high market capitalization have a higher responsibility to disclose information in real-time to the users of financial statement, especially the information on earnings. The earnings information that contains information asymmetry becomes irrelevant and unreliable to serve as the basis for decision-making by users of financial statements, so it can be expressed as unqualified earnings.

Through this research, measurements will be taken to find out how managerial ownership, audit committee, independent commissioner size, and earnings quality as well as the influence of managerial ownership, audit committee, independent commissioner and corporate size on earnings quality either simultaneously or partially at the company listed on Index Kompas100 in Indonesia Stock Exchange period 2012-2016.

The population in this study is the company listed on Kompas100 Index in Indonesia Stock Exchange period 2012-2016. The sample in this study were chosen by purposive sampling method. Data analysis techniques in this study using multiple linear regression analysis with SPSS 22 software. The difference of this study with previous research is the use of market capitalization proxies for variable corporate size.

The results of this study indicate that managerial ownership, audit committee, independent commissioner, and corporate size simultaneously have a significant effect on earnings quality. Managerial ownership, audit committee, independent commissioner, and corporate size can explain the quality of earnings by 12%, while the rest was influenced by other variables outside in this study.

The results also show that partially, managerial ownership variable has no significant effect to earnings quality. Audit committee and independent commissioners have a positive significant effect on earnings quality, while corporate size has a negatively significant effect on earnings quality.

Keyword: *Earnings quality; corporate governance; managerial ownership; audit committee; independent commissioner; corporate size.*