

ABSTRACT

Earnings management is one of the manager's efforts to show the existence of the companies they manage to attract investors, creditors, and stakeholders by Increasing or Decreasing the profits. In addition, earnings management measures are also used as a tool by the management company to gain profit.

This study aims to determine the effect of information asymmetry, leverage, and managerial ownership of earnings management. This study uses discretionary accrual proxy to calculate earnings management at mining company of coal sub-sector which listed in Indonesia Stock Exchange period 2012-2016.

The population in this research is coal mining company sub-sector which listed in Bursa Efek Indonesia. The sample selection technique used is purposive sampling method and obtained 16 companies or 80 samples of coal mining companies in the 2012-2016 period. Data analysis method in this research is panel data regression by using Software Eviews 9.0.

The results of this study indicate that simultaneously information asymmetry, leverage, and managerial ownership have a significant effect on earnings management with adjusted R^2 in this research is 0.327138 or 32.7138%. While partially, information asymmetry has no significant effect to earnings management, leverage has significant effect toward negative to earnings management, and managerial ownership has a significant effect toward negative to earnings management.

The results of this study conclude the coal mining companies listed on the Indonesia Stock Exchange period 2012-2016. First, that the higher or lower the information asymmetry, it does not affect earnings management. Second, the higher the leverage, then the level of earnings management decreases. Third, the higher the percentage of managerial ownership, the level of earnings management decreases.

Keywords: ***Information Asymmetry, Leverage, Managerial Ownership, Earnings Management.***