

ABSTRACT

The development of a business competition which causes of crime like financial statement fraud. This is due to the business people must still reported financial information is accurate and relevant.

This study aims to test the influence of financial stability, external pressure, financial target, nature of industry, ineffective monitoring, and audit opinion to financial statement fraud by earning management at manufacture basic industries and chemicals sector listed on Indonesia Stock Exchange (BEI) in the period 2012-2016. The data used in this study was obtained from financial statement data.

The population in this study are manufacture basic industries and chemicals sector listed on Indonesia Stock Exchange. Sample selection technique used is purposive sampling and acquired 22 company in manufacture basic industries and chemicals sector with the 2012-2016 study period. Methods of data analysis in this research is multiple linear regression analysis using SPSS 24.

Based on the results of this study showed that the simultaneous of financial stability, external pressure, financial target, nature of industry, ineffective monitoring, and audit opinion have a effect on financial statement fraud. While partially, financial stability, external pressure, nature of industry, ineffective monitoring, and audit opinion has no effect on financial statement fraud, financial target has effect on financial statement fraud.

The result of this study are expected to provide knowledge and contribute to the development of fraud triangle. And provide additional information about the factors that affect the company to do financial statement fraud.

Keywords : financial stability, external pressure, financial target, nature of industry, ineffective monitoring, audit opinion, and financial statement fraud.