

## **ABSTRACT**

*This study aims to determine the effect of capital structure on earnings quality in textile and garment sub-sector companies listed on the Indonesia Stock Exchange (BEI) per quarter 2016-2018 period. The variables in this study are capital structure (independent variable) measured by comparing own capital and loan capital (DER) and earnings quality (dependent variable) measured by comparing cash flow from operating with earnings before interest and tax (EQ). This type of research is quantitative using secondary data on Indonesian institutions with a sample of the company's financial statements. Data were analyzed using a simple regression test, correlation test and t-test. The results of this study indicate that capital structure has no significant effect on earnings quality.*

**Keywords:** *Capital Structure, Earnings Quality*