ABSTRACT

Earnings Management is an action taken by the principal that intentionally influences the information in the financial statements to trick the stakeholders who want to know the condition of the company.

This study aims to empirically examine the effect of Institutional Ownership, Audit Committees and Independent Commissioners on Earnings Management. This study uses control variables namely Firm Size, Leverage, and Profitability. This study uses secondary data, namely food and beverage sub-sector companies listed on the Indonesia Stock Exchange in 2014 - 2017. The samples used were 11 samples with 44 total data. However, there are 4 data outliers so that the sample used is 40 data. Company data uses purposive sampling method. Documentation data collection techniques from www.idx.co.id. The analytical method used is descriptive statistical testing and panel data regression analysis using eviews version 10.

The results of this study indicate that institutional ownership, audit committee and independent commissioner simultaneously influence and are able to explain earnings management of 96.39% and 3.61% of other variables that are not in this study. The independent variable, namely institutional ownership and audit committee partially has a negative effect on earnings management, and the independent commissioner has a positive effect on earnings management.

Keywords: Earnings Management, Institutional Ownership, Audit Committee, Independent Commissioners, Firm Size, Leverage, Profitability