

## **ABSTRACT**

*Earnings quality represents the performance of companies in gain operating income. Profit quality could be an indication of profit information to give responses to the market. Furthermore, earnings quality obtain attention and importance in making investment decisions for investors and various parties.*

*This study is purposed to knowing the effect of systematic risk, number of audit committee meetings, audit committee expertise, and investment opportunity sets on earnings quality in infrastructure, utilities, and transportation companies listed on the Indonesia Stock Exchange (BEI) for the period 2014 - 2018. Population in this study is all infrastructure, utilities, and transportation sector companies listed on the Indonesia Stock Exchange (IDX) for the period 2014 - 2018. The samples produced were 50 samples with Non-probability sampling. Data in this study were analyzed using descriptive statistics and panel data regression.*

*The results show that systematic risk, the number of audit committee meetings, audit committee expertise, and investment opportunity sets have a simultaneous effect on earnings quality. Partially, the number of audit committee meetings has a negative effect on earnings quality, while systematic risk, audit committee expertise and investment opportunity sets do not have a significant effect on earnings quality.*

*For the next researchers, it's recommended to use research objects in other sectors by extending the research time and reusing systematic risk variables, the audit committee expertise and investment opportunity sets. The companies should pay more attention to the activities of the audit committee by regularly monitoring meetings conducted by the audit committee in order to avoid fraudulent financial reporting, so that the companies earnings acquire in high quality. And also the investors should consider corporate governance factors, especially the audit committee which is directly related to internal control, so that it can influence investment decisions.*

*Keywords: Earnings quality, systematic risk, number of audit committee meetings, audit committee expertise, investment opportunity sets.*