

ABSTRACT

Earnings management is an activity carried out by company management by manipulating financial reporting, namely by changing the numbers in the financial statements. carried out by the company's management to achieve a certain goal. The company is indicated to do earnings management can be seen through the accrual approach. Accrual is the difference between profit and operating cash flow, the higher the accrual value indicates a strategy to increase profits (income increasing), and vice versa, the minus the accrual value indicates a strategy to reduce profits (income decreasing) carried out by managers.

his study aims to determine the effect of sales growth, financial leverage and Good Corporate Governance on the earnings management of food and beverage sub-sector companies listed on the Indonesia Stock Exchange in 2016 – 2020. Therefore, this study is a causal research. The object of this research is the food and beverage sub-sector companies listed on the Indonesia Stock Exchange in 2016 – 2020. The sampling technique uses the purposive sampling method, obtained 14 companies with a total of 26 data. The statistical analysis method used is panel data regression analysis, because the dependent variable has a nominal scale. The statistical and hypothesis testing tool used in this study is Eviews 12

The results of the study show that the variables of sales growth, financial leverage and Good Corporate Governance are variables that affect earnings management. However, the results of the research partially financial leverage and the audit committee have a negative effect on audit quality, but the sales growth variable and independent commissioners partially have no effect on earnings management.

For further research, it is suggested to conduct another research on variables that do not affect earnings management such as sales growth and independent commissioners with different research periods and the addition of variables that affect earnings management. As well as increasing the period of research years and can examine different objects. Such as the various industrial sectors, the consumer goods industry sector, the infrastructure sector, utilities and transportation or State- Owned Enterprises (BUMN).

Keywords: *Earnings management, sales growth, financial leverage, independent commissioners and audit committee*