ABSTRACT

Earnings management action is an assessment in financial statements and the preparation of a transaction that aims to manipulate the financial performance and related income of a company which will result in depending on the figures obtained. This is done to increase or decrease income by manipulating the values contained in the financial statements and using a method of accounting that will be used by the company that will benefit them by intervening in the preparation of financial statements.

This study was conducted to determine the effect of Deferred Tax Assets, Deferred Tax Expense, and the Audit Committee on Earnings Management with profitability and firm size as control variables in consumer goods industrial sector companies listed on the Indonesia Stock Exchange (IDX). The population in this study are consumer goods industrial sector companies listed on the Indonesia Stock Exchange in 2015-2020. The sample selection technique used was purposive sampling and obtained 150 samples to be observed. The analysis technique in this research is panel data regression analysis using eviews 10 software.

Based on the research results of deferred tax assets, deferred tax expense, and the audit committee have a simultaneous effect on earnings management. Partially deferred tax assets have a positive effect on earnings management. Meanwhile, deferred tax expense and audit committee have no effect on earnings management. It is recommended for further research to continue with variables that do not have an effect, such as Deferred Tax Burden and the Audit Committee by using different calculation indicators, adding research periods, and using other objects.

Keywords: *Deferred Tax Assets, Deferred Tax Expense, Audit Committee, Earnings Management*