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ABSTRACT

Earnings management is a method used by managers to intervene in financial report information by increasing or decreasing profits for personal gain. This results in financial statements that do not comprehensively reflect the company's actual condition. This study aims to examine the impact of audit quality, information asymmetry, and institutional ownership on earnings management. The population in this study consists of pharmaceutical sub-sector healthcare companies, with data collected using purposive sampling, resulting in 85 samples from 17 companies over a 5-year research period. The data analysis technique employed is panel data regression using the Eviews 12 application.

The findings in this study are that the variables of audit quality, information asymmetry and institutional ownership jointly influence earnings management partially, the audit quality variable does not have a partial impact on earnings management while information asymmetry has a partial positive effect on earnings management and finally institutional ownership does not have a partial effect on earnings management.

Keyword : Earnings Management, Audit Quality, Institutional Ownership, Agency Theory, Healthcare Companies