

## ABSTRACT

YULI HARYANTI. *The Influence of Differences Prudence and Tax Avoidance Before and After the application of International Financial Reporting Standards (IFRS) on Earnings Management*  
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*The accounting standard give a wider disclosure for companies doing prudence is mandatory in order to minimize earnings management. This study attempts to analyze conditions before and after the application of IFRS by using variables prudence and tax avoidance, the difference influence on earnings management in companies manufacturing industry group.*

*The design of this research was using type causal comparative research. The method of analysis the data was using the different test, the multiple linear regression, and chow test. A population that use was manufacturing companies industry group of consumer goods. Sampling techniques using purposive sampling. The unit of analysis is a company.*

*The result of this research in partial accept the hypothesis there is a difference unpractical earnings management before and after the application of IFRS, and there are a positive influence tax avoidance before and after the application of IFRS on earnings management. While the hypothesis what is denied is the prudence and tax avoidance before and after the application of IFRS shows that there is no difference, and tax avoidance has proven to be positive before and after the application of IFRS on earnings management. There is no difference influence of prudence and tax avoidance before and after the application of IFRS on earnings management.*

*The finding of this research is there is difference in earnings management unpractical before and after the application of IFRS. Most companies did not act prudence both before and after the application of IFRS. Tax avoidance after the application of IFRS conducted by the companies because of the requirement in the Income Tax Act and IFRS related recognition income and expenses is different, because it has different purposes. The research also proves that there is no agency conflict through asymmetry information.*

**Keywords:** *prudence, tax avoidance, earnings management, and international financial reporting standards (IFRS)*