

## **ABSTRACT**

**DWI SEPTIANY TENGGARA**, *Effect of Information Asymmetry, Bonus Compensation, and Company Size to Earnings Management in Transportasion Listed on the Indonesia Stock Exchange on the year 2012 – 2016 (led by Yosevin Karnawati)*

*This study aimed to examine the effect of the information asymmetry, Bonus Compensation, and Company Size to earnings management. Information Asymmetry is measured using bid-ask spread. Bonus is measured using dummy variable and company size is measured using total assets. Earnings management as the dependen variable is measured using discretionary accruals from the modified jones model. The research was conducted using secondary data. The population of this study as many as 35 companies and take a sample of 11 companies through purposive sampling method. This study uses classic assumption test consisting of data normality test, multicollinearity test, autocorrelation test, and heteroscedasticity test and using regression analisys consisting of multiple linear regression analysis, coefficient of determination test and using hypothesis test consist of simultaneous test (F test), t test.*

*The result showed that information asymmetry, bonus compensation, and company size that simultaneously have a significant effect to earnings management. While partial information asymmetric and bonus compensation have a negative effect to earnings management and company size have a positive effect to earnings management. 22,2% of information asymmetry, bonus compensation and company size influence the integrity of financial statements. While the remaining 77,8% influenced by other factors not disclosed in this study.*

**Keywords : Information Asymmetry, Bonus Compensation, Company Size and Earnings Management**