

ABSTRACT

HOTMA BERLIANA. Effect of Good Corporate Governance, Audit Quality on Earnings Management in Food and Beverage Sector Manufacturing Companies Listed on Indonesia Stock Exchange (IDX) Period 2013 – 2019. (Supervised by Yosevin Karnawati, SE., MM., M.AK)

This study aims to determine the effect of Good Corporate Governance (institutional ownership, managerial ownership, audit committees and independent commissioners), audit quality on earnings management. The data in this study are secondary data and data obtained from the website www.idx.go.id and company performance reports. The sampling technique uses a purposive sampling technique with a total of 77 observation data from food and beverage manufacturing companies in 2013 – 2019. Data analysis using multiple linear regression method. The result of this study indicate that the variable Good Corporate Governance (institutional ownership, managerial ownership, audit committees and independent commissioners), the quality of audit simultaneously affect earnings management. Partial institutional ownership, managerial ownership and audit quality have no effect on profit management, only audit committees and independent commissioners negatively affect profit management.

Keywords: *institutional ownership, managerial ownership, audit committees and independent commissioners, audit quality, earnings management*