

ABSTRACT

Pipit Fitria Susanti. *The Effect of Prudence on Earnings Quality Using Accounting Based that is listed on the Indonesia Stock Exchange 2012 – 2013. (under the supervision of Mrs. Sri Handayani)*

This research aims to investigate the relationship between Prudence and Earning Quality on industrial the property and real estate sector which is listed on the Indonesia Stock Exchange. Two different approach is used for measuring earnings quality, Accounting based with earning persistence and earnings predictable.

This research is based on data obtained in Indonesia Stock Exchange with a period of two years from 2012 to 2013. The collection of data using a purposive sampling, where companies that meet the criteria that were visited in this research and data are mixed with aid of computers.

This research using data analysis method, test the assumption of the classics, test the hypothesis, the t, and coefficient determination analysis.

Normality test data showed distributed normally, autokorelasi test data showed free from autokorelasi, heterokedastisitas test showed the data was not occurring heterokedastisitas. Thus we can conclude that regression model it may be used for research and free from classical the assumption.

This research shows that variable prudence has no relationship on earnings persistence, but prudence has a negative relationship on earnings predictable.

Key word : Earnings Quality, Prudence, Non Operating Accrual, Accounting Based, Earning Persistence, Earning Predictable.