

## **ABSTRACT**

**Barita Agustina.** *Effect of the Audit Committee, Institutional Ownership, Profitability, And Firm Size to Earning Management In Manufacturing Companies Sub Sector Food and Beverages Listed on the Indonesia Stock Exchange (IDX) On the Period 2008-2014 (led by Dr. MF. Arrozi Adikara, SE, Ak , M.Si, C.A)*

*This study aimed to examine the effect of the audit committee, institutional ownership, profitability, and the firm size to earnings management. The audit committee is measured using the percentage of the company's audit committee of the minimum number of audit committee, institutional ownership is measured by the percentage of the share capital belongs to the institution of the total outstanding shares, profitability measured using return on assets (ROA), and the firm size measured using total assets. Earnings management as the dependent variable is measured by discretionary accruals. The research was conducted using secondary data. The sample used by 13 companies through purposive sampling method. The analytical method used in this study is multiple regression analysis.*

*Based on the results of the study concluded that institutional ownership and profitability and significant negative effect on earnings management which defines the greater institutional ownership and profitability of the company can reduce earnings management. However variable audit committee and firm size have not any significance on the earnings management.*

*Keywords: audit committee, institutional ownership, profitability, firm size, earning management.*