

ABSTRACT

CAHYANI DEWI ANGGRAENI. Effect of Audit Quality, Information Asymmetry, and Good Corporate Governance to Earnings Management in Manufacturing Consumer Goods Industry Sector Listed on the Indonesia Stock Exchange on the Period 2009-2015 (led by Dr. MF. Arrozi Adhikara, SE, M.SI, Akt, CA).

This study aims to determine the effect of audit quality, information asymmetry, and good corporate governance to earnings management. Data obtained from the Indonesia Stock Exchange period 2009-2015 using the design of causality. The sampel used 203 companies through purposive sampling method. The unit of analysis is the Industrial Sector. The analytical method used logistic regression analysis.

Based on the results, audit quality, information asymmetry, and good corporate governance significantly effect to earnings management simultaneously. Institutional ownership has a significant negative effect on earnings management. While the variable quality of the audit, information asymmetry, independent directors, audit committee, board of directors, and managerial ownership has no effect on earnings management. The findings of this study indicate that institutional ownership have a significant impact on earnings management, this is due to the presence of institutional involvement in ownership, the company's management will be watched by investors - institutional investors so that performance management will also increase and reduce agency cost.

Keywords : Audit Quality, Information Asymmetry, and Good Corporate Governance, Earnings Management