
ABSTRACT

The difference of importance point between management and owner company, causes management has a certain opportunistic attitude and make many case of earning management in Indonesia. Earning management has mean as negative attitude of management because that make earning information in financial report can't reflection the truth situation. Management has been doing that by choose some accounting principle to increase or decrease reported income for their own interest. This research purpose to analyze the factors that influence earning management companies that is; independent board of commissioners, firm size and leverage.

Population of the study is financial report from manufacturing companies which are listed on Indonesia Stock Exchange (IDX) periods 2011 to 2013. Purposive sampling has been used to choose sample in this research and obtain 36 companies with 3 years period and obtained 108 samples were processed. Data analysis method in this research is panel data regression with method Random Effect Model (REM) using Eviews software 8.1.

The result shows that independent board of commissioners, firm size and leverage simultaneously significant influence to earning management. As partially independent board of commissioners and firm size has no significant influence to earning management, and leverage has significant positive influence to earning management.

Keyword : Independent Board of Commissioner, Firm Size, Leverage, Earning Management.