

ABSTRACT

This research investigates the effects of managerial ownership, institutional ownership and leverage on earnings management either simultaneously or partially. Population of this research are companies listed on Indonesian Stock Exchange that registered in LQ45 index from 2011-2012. The type of this research is descriptive study and using secondary data from the financial reports.

This research uses multiple linear regression technique, where the results of this research show that simultaneously managerial ownership, institutional ownership and leverage have significant effect to earnings management. Partially, managerial ownership have a positive significant effect to earnings management, institutional ownership have no significant effect to earnings management and leverage have a negative significant effect to earnings management.

Keywords : managerial ownership, institutional ownership, leverage, earnings management, discretionary accruals