ABSTRACT

Earnings management is an attempt by company managers to intervene or influence information in financial statements with the aim of tricking shareholders who know the company's performance and conditions. Earnings management actions are motivated by opportunistic behavior of managers, namely with the aim of getting bonuses, positive responses from investors, lowering the tax burden.

This study aims to test empirical evidence either simultaneously or partially the effect of corporate governance, profitability, leverage, company size on earnings management in the Indonesia Stock Exchange for the period 2013-2017.

This study consisted of 80 samples of non-financial goverment company sector listed on the Indonesia Stock Exchange for the period 2013-2017. The sample was obtained by purposive sampling. The analytical method used in this study is descriptive statistical analysis and panel data regression using Eviews 10.

The results of this study indicate that corporate governance, profitability, leverage, and company size affect the earnings management simultaneously. Partially, profitability affect the earnings management. While profitability, leverage, and company size does not affect earnings management.

For the company, the results of this study can be used for the evaluation of supervision and control that decreases earnings management action. As for shareholders, the results of this research are expected to analyze the deeper levels of income, debt level to indicate the existence of earnings management.

***Keywords** : Corporate Governance, Profitability, Leverage, Company Size and Earnings Management.*