

## ABSTRACT

This study aimed to determine the effect of earnings management, managerial ownership and firm size on stock returns on companies listed on the Indonesia Stock Exchange in 2011.

The study sample as many as 42 companies listed in Indonesia Stock Exchange. The sampling technique used is the purposive sampling method. This method is a method of sampling with specified criteria.

The result showed that the partial (people) there is a significant effect of earnings management on stock returns. The results of hypothesis testing using SPSS software showed a significance value of 0.021, which is smaller than the value of  $\alpha = 0.05$ . This indicates that the size of the earnings management carried out by the management company a significant effect on the value of the company stock returns while the test results for the two other variables: managerial ownership and firm size result that these variables are not partial effect on stock returns. It can be seen from the significance level greater than 0.05. Based on statistical tests simultaneously (F test) obtained calculated F value of 2.178 with a probability of 0.124. Probability value is greater than  $\alpha = 0.05$  where it is shown that the independent variable is earnings management, managerial ownership, and firm size had no significant effect on stock returns simultaneously.

**Key Word : Return, Earning Management, Owners Managerial, Size**