

ABSTRACT

Earnings management is an act of accounting manipulation done by the company management so that the amount of profit recorded in the company's financial statements matches with their personal goals or the company's interests.

This study aims to determine the effect of profitability, leverage, and cash holding on earnings management in transportation subsector companies listed on the Indonesia Stock Exchange for the Period 2017-2019. The data used in this study were obtained from financial statements.

The population in this study is the Transportation Sub-Sector which is listed on the Indonesia Stock Exchange for the period of 2017-2019. The sample selection technique used was purposive sampling which resulted in 29 samples of selected companies within 3 years so that there were 87 sample units of transportation sub-sector companies listed on the Indonesia Stock Exchange in 2017-2019. The data analysis method used in this study is panel data regression using Eviews 10 Software.

The results showed that the Profitability, Leverage, Cash Holding, simultaneously affect earnings management. Partially, the profitability have a significant positive effect on earnings management. While Leverage and Cash Holding variables has no affect on earnings management.

Based on the research results obtained, the research is expected to be a reference for further research. And for further research, it is expected to add other independent variables that can affect the company's earnings management

Keywords: Earnings Management, Profitability, Leverage, and Cash Holding.