

## **ABSTRACT**

*Profit is important information that is awaited by external parties before investing. Their confidence in the company can be seen from their response to profit information. Quality profit shows the relevance of information and can strengthen market response. In this study, profit quality is measured by the Earnings Response Coefficient (ERC).*

*This study aims to determine the effect of prudence, managerial ownership, profit volatility, institutional ownership simultaneously and partially on profit quality.*

*The sampling method uses purposive sampling and 9 companies are obtained with an observation period of 5 years so that 45 sample data are obtained. The data analysis technique uses panel data regression analysis using Eviews 12 software. The data analysis technique used is panel data regression.*

*The results of the study provide findings that partially prudence has a positive effect on profit quality. Meanwhile, institutional ownership has a negative effect on profit quality. The variables of managerial ownership and profit volatility do not affect profit quality partially. Simultaneously prudence, managerial ownership, profit volatility, institutional ownership affect quality.*

*Based on the results of the study, it is recommended that further researchers can conduct further research using different objects, different research years, and add other variables to be tested. It is recommended for companies to pay attention to the principle of prudence in recording financial reports. Companies that apply a high principle of prudence in a company's annual report can provide quality profit information.*

*Keywords: Earnings Quality, Earnings Volatility, Institutional Ownership, Managerial Ownership, Prudence*