

## **ABSTRACT**

Monica Meidiana (01220090138)

### **“THE IMPACT OF CORPORATE GOVERNANCE TOWARD REAL EARNINGS MANAGEMENT”**

(xiv + 58 pages: 1 figure; 6 tables; 8 appendices)

The purpose of this research is to examine the effect of Corporate Governance toward Real Earnings Management. The samples are taken from companies that listed in Indonesia Stock Exchange (IDX), with total samples of 339 firms years (2007-2009) for the main model. While, the sensitivity model used the samples of the same firms, but with longer period (2007-2011), with total sample of 565 firms years. This research finds contrary evidence that the corporate governance has positive impact on the real earnings management practices. Our results of test indicate that the higher corporate governance index will push higher real earnings management practices. Based on the sensitivity results, which used the size of Board of Commissioners, Ownership Concentration, and Institutional Ownership to measure Corporate Governance, we found evidence that Ownership Concentration has negative effect on real earnings management, which supports the main model result.

Keywords : Corporate Governance, Real Earnings Management, Corporate Governance Index, Board of Commissioners, Ownership Concentration, Institutional Ownership

References : 64 (1983-2012)