

PREFACE

By the grace and blessing of the Almighty God, the writer has completed the final paper entitled: **“THE INFLUENCE OF EARNINGS MANAGEMENT, LEVERAGE, AND LIQUIDITY TOWARDS TAX AGGRESSIVENESS IN MINING COMPANIES LISTED IN INDONESIA STOCK EXCHANGE”.**

This final paper is written as a partial fulfillment of the academic requirements to obtain a Bachelor's Degree in Accounting Study Program at Faculty of Economics and Business, Universitas Pelita Harapan Medan Campus.

The writer would like to express his/her sincerest gratitude and appreciation to the following people for their valuable contributions in assisting and supporting the writer during the preparation of this final paper:

1. Dr. (Hon). Jonathan L. Parapak, M. Eng. Sc., as the Rector of Universitas Pelita Harapan
2. Mr. Arifin, S.E., M.M., MBA., CBV, CMA, as the Associate Dean of Faculty of Economics and Business UPH Medan Campus
3. Ms. Yenni, BA (Hons), S.E., M.M., MBA, as the Department Chair of Accounting Study Program UPH Medan Campus
4. Dr. Thomas Sumarsan Goh, S.E., S.H., M.M., as the Final Paper Advisor who has guided and given valuable instructions and guidance for the completion of this final paper
5. All UPH Medan Campus lecturers who have passed down their knowledge throughout the entire study period at UPH Medan Campus
6. All UPH Medan Campus administrative staff who have assisted in the writing of this final paper
7. My parents who always given their prayers and supports and provided the means for me to finish my study
8. My family and friends who have been a major source of support and guidance during the preparation of this final paper

9. Anyone else who provided me with their support, encouragement and assistance throughout this process.

Finally, the writer acknowledges that there may be inaccuracies and errors in this final paper. Therefore, constructive comments as well as inputs from the readers aimed at the improvement of this final paper content are welcome and highly appreciated.

Medan, June 15, 2021

The Writer,

Natalia Fransiska

03012170080

TABLE OF CONTENTS

	Page
COVER PAGE	
TITLE PAGE	
DECLARATION OF AUTHENTICITY OF FINAL PAPER AND UPLOAD AGREEMENT	iii
APPROVAL PAGE BY FINAL PAPER ADVISOR.....	v
APPROVAL PAGE BY FINAL PAPER DEFENSE COMMITTE.....	vi
ABSTRACT	vii
ABSTRAK	viii
PREFACE	ix
TABLE OF CONTENTS.....	xi
LIST OF FIGURES	xv
LIST OF TABLES	xvi
LIST OF APPENDICES.....	xvii

CHAPTER I INTRODUCTION

1.1 Background of The Study	1
1.2 Problem Limitation	5
1.3 Problem Formulation	6
1.4 Objectives of The Research	7
1.5 Benefit of The Research.....	7

1.5.1	Theoretical Benefit.....	7
1.5.2	Practical Benefit.....	8
CHAPTER II LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT		
2.1	Theoretical Background	9
2.1.1	Tax Aggressiveness.....	9
2.1.2	Earnings Management.....	10
2.1.3	Leverage.....	18
2.1.4	Liquidity	21
2.2	Previous Research	26
2.3	Hypothesis Development	27
2.4	Research Model.....	28
2.5	Framework of Thinking	29
CHAPTER III RESEARCH METHODOLOGY		
3.1	Research Design.....	31
3.2	Population and Sample.....	31
3.2.1	Population	31
3.2.2	Sample.....	32
3.3	Data Collection Method	33
3.4	Operational Variable Definition and Measurement	34
3.5	Data Analysis Method.....	35

3.5.1	Descriptive Statistical Analysis.....	35
3.5.2	Classical Assumption Test	36
3.5.2.1	Normality Test	36
3.5.2.2	Multicollinearity Test.....	37
3.5.2.3	Autocorrelation Test.....	38
3.5.2.4	Heteroscedasticity Test	38
3.5.3	Hypothesis Testing.....	39
3.5.3.1	Multiple Linear Regression Analysis.....	40
3.5.3.2	Simultaneous F Test.....	41
3.5.3.3	Partial T Test.....	42
3.5.3.4	Coefficient of Determination	42

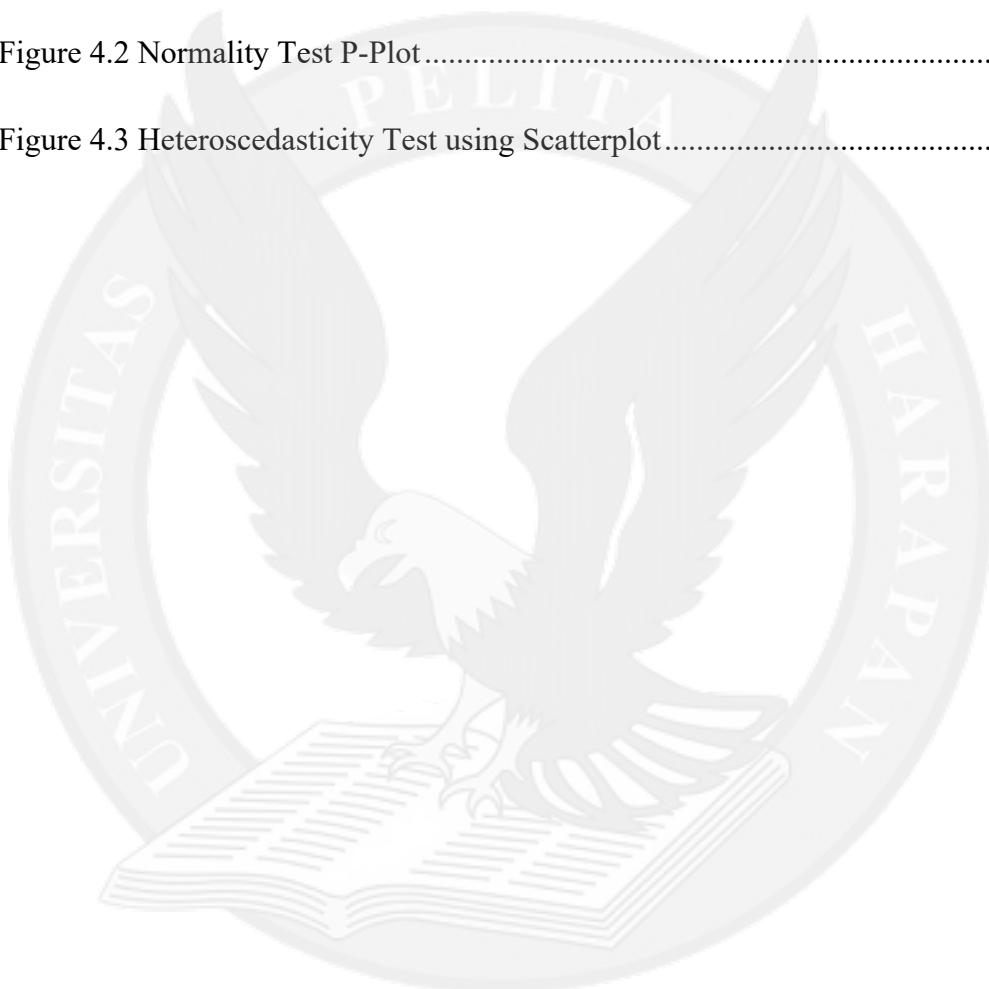
CHAPTER IV DATA ANALYSIS AND DISCUSSION

4.1	General View of Mining Companies	44
4.2	Data Analysis	46
4.2.1	Descriptive Statistics.....	46
4.2.2	Result of Classical Assumption Test.....	47
4.2.2.1	Normality Test	48
4.2.2.2	Multicollinearity Test.....	50
4.2.2.3	Autocorrelation Test.....	52
4.2.2.4	Heteroscedasticity Test	53
4.2.3	Hypothesis Testing.....	55

4.2.3.1	Multiple Linear Regression Analysis.....	55
4.2.3.2	Partial T Test.....	57
4.2.3.3	Simultaneous F Test.....	59
4.2.3.4	Coefficient of Determination Hypothesis	60
4.3	Discussion	61
4.3.1	The Influence of Earnings Management towards Tax Aggressiveness.....	61
4.3.2	The Influence of Leverage towards Tax Aggressiveness	62
4.3.3	The Influence of Liquidity towards Tax Aggressiveness	63
4.3.4	The Influence of Earnings Management, Leverage and Liquidity towards Tax Aggressiveness	63
CHAPTER V CONCLUSION		
5.1	Conclusion.....	64
5.2	Recommendation.....	65
REFERENCES.....		67

LIST OF FIGURES

Figure 2.1 Research Model	28
Figure 2.2 Framework of Thinking.....	29
Figure 4.1 Normality Test Histogram	48
Figure 4.2 Normality Test P-Plot.....	49
Figure 4.3 Heteroscedasticity Test using Scatterplot.....	54



LIST OF TABLES

Table 2.1	Previous Research	26
Table 3.1	Sample Criteria.....	32
Table 3.2	Sample of mining companies listed Indonesia Stock Exchange ..	33
Table 3.3	Operational variable definition and measurement	34
Table 4.1	Descriptive Statistics.....	46
Table 4.2	One-Sample Kolmogorov-Smirnov test	50
Table 4.3	Multicollinearity Test	51
Table 4.4	Autocorrelation Test using Durbin Watson Test	52
Table 4.5	Autocorrelation Test using Run Test	53
Table 4.6	Heteroscedasticity using Glejser Test	55
Table 4.7	Multiple linear regression analysis	56
Table 4.8	Partial T Test.....	58
Table 4.9	Simultaneous F Test.....	60
Table 4.10	Coefficient of Determination (R^2).....	61

LIST OF APPENDIXES

APPENDIX A: LIST OF POPULATION AND SAMPLE	A-1
APPENDIX B: DATA OF EARNINGS MANAGEMENT (X ₁).....	B-1
APPENDIX C: DATA OF LEVERAGE (X ₂).....	C-1
APPENDIX D: DATA OF LIQUIDITY (X ₃)	D-1
APPENDIX E: DATA OF TAX AGGRESSIVENESS (Y).....	E-1
APPENDIX F: SPSS OUTPUT RESULT	F-1
APPENDIX G: STATISTICS TABLE.....	G-1