

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 COMMITTEE.....	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.....	11
1.3 Problem Formulation.....	11
1.4 Objectives of The Research	13
1.5 Benefits of The Research.....	14
1.5.1 Theoretical Benefit	14
1.5.2 Practical Benefit.....	14
CHAPTER II LITERATURE REVIEW	
2.1 Theoretical Background	16
2.1.1 Agency Theory.....	16
2.1.2 Definition of Probability	17
2.1.3 Indicator of Probability	19

2.1.4	Definition of Leverage	19
2.1.5	Indicator of Leverage	20
2.1.6	Definition of Firm Size	21
2.1.7	Indicator of Firm Size	21
2.1.8	Definition of Institutional Ownership	22
2.1.9	Indicator of Institutional Ownership	22
2.1.10	Definition of Dividend Policy	22
2.1.11	Indicator of Dividend Policy	23
2.1.12	Definition of Earnings Management	23
2.1.13	Indicator of Earnings Management	26
2.2	Previous Research	28
2.3	Hypothesis Development	37
2.3.1	The Influence of Profitability on Earnings Management	37
2.3.2	The Influence of Leverage on Earnings Management	38
2.3.3	The Influence of Firm Size on Earnings Management	39
2.3.4	The Influence of Institutional Ownership on Earnings Management	40
2.3.5	The Influence of Dividend policy on Earnings Management	41
2.3.6	The Influence of Profitability, Leverage, Firm Size, Institutional Ownership and Dividend Policy on Earnings Management	42
2.4	Research Model	43
2.5	Framework of Thinking	44

CHAPTER III RESEARCH METHODOLOGY

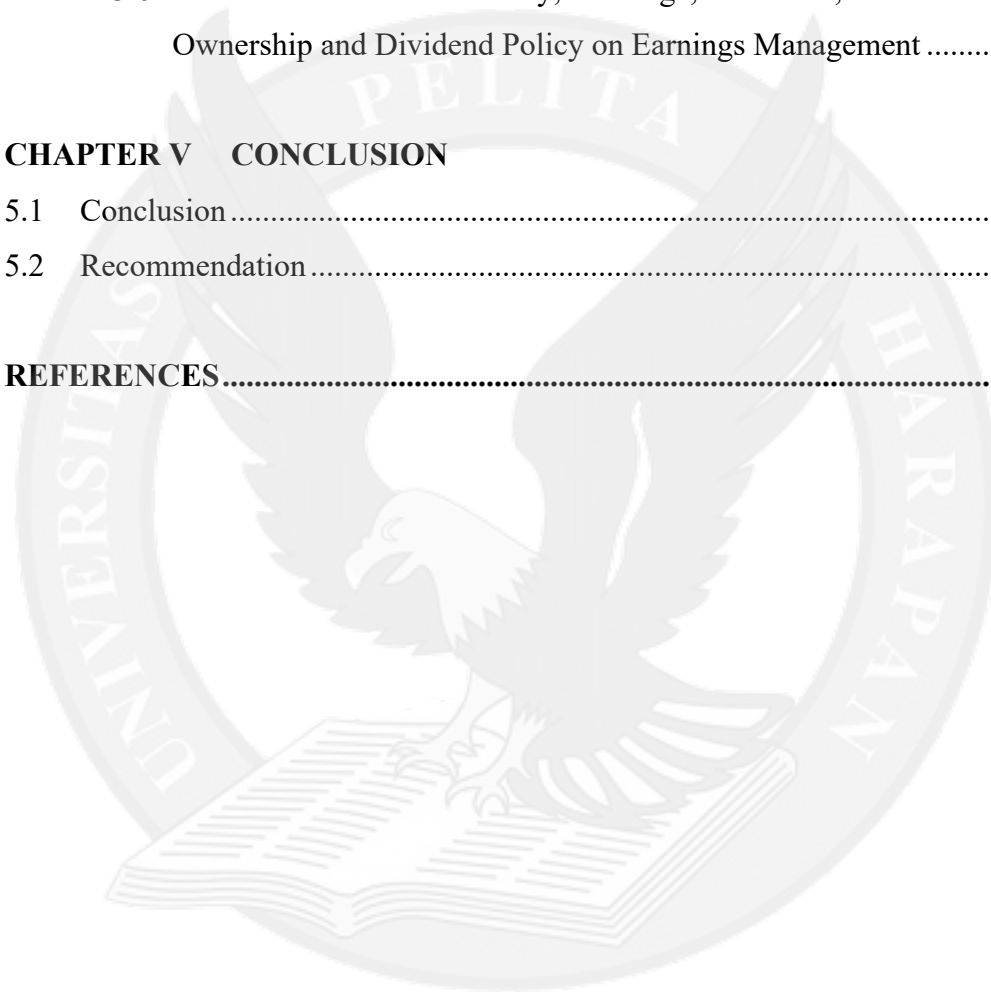
3.1	Research Design	46
3.2	Population and Sample	46
3.2.1	Population	46
3.2.2	Sample	47
3.3	Data Collection Method	49
3.4	Operational Variable Definition and Variable Measurement	49
3.4.1	Dependent Variable (Y)	50
3.4.2	Independent Variable (X)	52
3.4.2.1	Profitability	52

3.4.2.2	Leverage.....	53
3.4.2.3	Firm Size	53
3.4.2.4	Institutional Ownership.....	54
3.4.2.5	Dividend Policy.....	54
3.5	Data Analysis Method	56
3.5.1	Descriptive Statistics.....	57
3.5.2	Classical Assumption Test.....	57
3.5.2.1	Normality Test	58
3.5.2.2	Multicollinearity Test.....	59
3.5.2.3	Heteroscedasticity Test	60
3.5.2.4	Autocorrelation Test	61
3.5.3	Multiple Linear Regression Analysis.....	61
3.5.4	Hypothesis Testing.....	63
3.5.4.1	Partial Hypothesis Testing (T-Test).....	63
3.5.4.2	Simultaneous Hypothesis Testing (F-Test).....	64
3.5.4.3	Coefficient of Determination (Adjusted R ²)	64

CHAPTER IV RESEARCH RESULT AND DISCUSSION

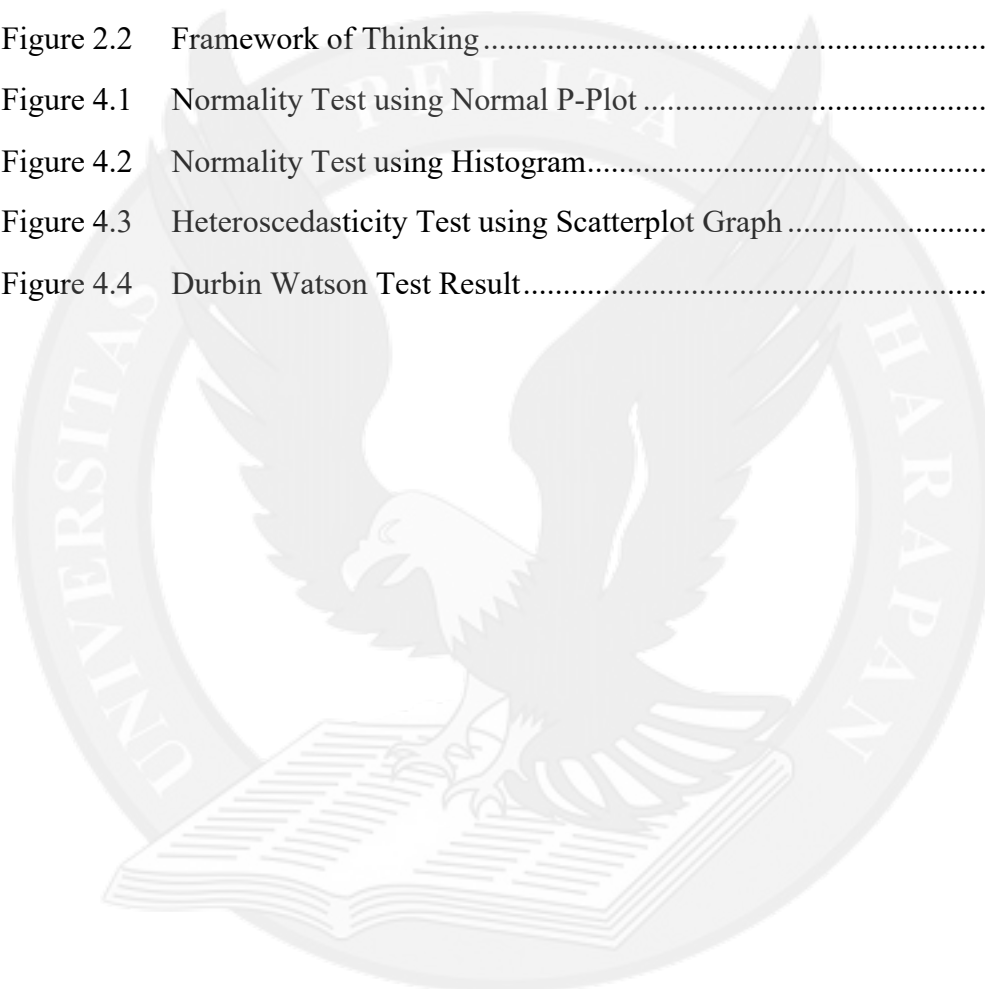
4.1	General View of Mining Industries in Indonesia Stock Exchange.....	66
4.2	Research Result	72
4.2.1	Descriptive Statistic	72
4.2.2	Result of Data Quality Testing	75
4.2.2.1	Normality Test	75
4.2.2.2	Multicollinearity Test.....	79
4.2.2.3	Heteroscedasticity Test	81
4.2.2.4	Autocorrelation Test	83
4.2.2.5	Summary of Classical Assumption Test Result.....	85
4.2.2.6	Multiple Linear Regression Analysis.....	85
4.2.3	Result of Hypothesis Testing.....	88
4.2.3.1	Partial Hypothesis Testing (T-Test Analysis).....	88
4.2.3.2	Simultaneous Hypothesis Testing (F-Test Analysis).....	91
4.2.3.3	Summary of Hypothesis Test Result.....	93
4.2.3.4	Coefficient of Determination (Adjusted R ²)	94

4.3	Discussion.....	95
4.3.1	The Influence of Profitability on Earnings Management.....	95
4.3.2	The Influence of Leverage on Earnings Management	96
4.3.3	The Influence of Firm Size on Earnings Management	98
4.3.4	The Influence of Institutional Ownership on Earnings Management	100
4.3.5	The Influence of Dividend Policy on Earnings Management.....	102
4.3.6	The Influence of Profitability, Leverage, Firm Size, Institutional Ownership and Dividend Policy on Earnings Management	105
 CHAPTER V CONCLUSION		
5.1	Conclusion.....	106
5.2	Recommendation.....	108
REFERENCES.....		110



LIST OF FIGURES

	page
Figure 1.1 Performance Gap on Indonesia Mining Companies	3
Figure 1.2 Revised 2018 Net Profit of PT. Timah Tbk.....	5
Figure 2.1 Research Model	43
Figure 2.2 Framework of Thinking.....	45
Figure 4.1 Normality Test using Normal P-Plot	77
Figure 4.2 Normality Test using Histogram.....	77
Figure 4.3 Heteroscedasticity Test using Scatterplot Graph	82
Figure 4.4 Durbin Watson Test Result.....	84



LIST OF TABLES

	page
Table 1.1 State Revenue (APBN) Data.....	2
Table 1.2 Indonesia GDP Top 5 Contributors and Growth Rate by Industry Q4 2021	6
Table 2.1 Summary of Previous Research	35
Table 3.1 Determination of Samples	48
Table 3.2 List of Samples	49
Table 3.3 Definition of Operational Variable and Variable Measurement.....	55
Table 3.4 Durbin Watson Decision Table.....	61
Table 4.1 Descriptive Statistics.....	73
Table 4.2 Normality Test through One-Sample Kolmogorov Smirnov Test....	76
Table 4.3 Normality Test through One-Sample Kolmogorov Smirnov and Monte Carlo	78
Table 4.4 Multicollinearity Test	79
Table 4.5 Heteroscedasticity Test using Glejser Test.....	83
Table 4.6 Autocorrelation Test using Durbin-Watson Test.....	84
Table 4.7 Summary of Classical Assumption Test.....	83
Table 4.8 Multiple Linear Regression Analysis.....	86
Table 4.9 Partial Hypothesis Testing (T-Test).....	89
Table 4.10 Simultaneous Hypothesis Testing (F-Test).....	93
Table 4.11 Summary of Hypothesis Test Result	93
Table 4.12 Coefficient of Determination (Adjusted R ²).....	94

LIST OF APPENDICES

APPENDIX A: LIST OF POPULATION AND SAMPLE OF MINING COMPANIES LISTED IN INDONESIA STOCK EXCHANGE PERIOD 2017-2021.....	A-1
APPENDIX B: CALCULATION OF PROFITABILITY (ROA)	B-1
APPENDIX C: CALCULATION OF LEVERAGE (DER).....	C-1
APPENDIX D: CALCULATION OF FIRM SIZE (SIZE)	D-1
APPENDIX E: CALCULATION OF INSTITUTIONAL OWNERSHIP (INS)	E-1
APPENDIX F: CALCULATION OF DIVIDEND POLICY (DPR)	F-1
APPENDIX G: CALCULATION OF EARNINGS MANAGEMENT (DA)....	G-1
APPENDIX H: SPSS OUTPUT RESULTS	H-1
APPENDIX I: DURBIN WATSON SIGNIFICANT TABLE	I-1
APPENDIX J: T-DISTRIBUTION TABLE	J-1
APPENDIX K: F-DISTRIBUTION TABLE	K-1