

ABSTRACTS

Nadya Priscilla (00000021433)

Raymond Kurnia (00000019965)

Whitney Claudian (00000021504)

THE EFFECT OF FREE CASH FLOW AND LEVERAGE TOWARDS EARNINGS MANAGEMENT, WITH CORPORATE GOVERNANCE AS A MODERATING VARIABLE.

(xiii + 72 pages; 2 figures; 19 tables; 2 appendices)

This research aims to prove empirically the effects of free cash flow and leverage towards earnings management. In addition, to prove empirically that corporate governance has a moderating effect in the relationship between free cash flow and leverage on earnings management. The population in this study are manufacturing companies listed on the Indonesia Stock Exchange in 2016-2018, using purposive sampling with a total final sample of 291 observations. Data analysis method used is multiple regression analysis. The result shows that free cash flow and leverage had significant negative effect towards earnings management. Furthermore, Audit Quality significantly weaken the negative relationship between leverage and earnings management.

References: 63 (1976-2018)

Keywords: free cash flow, leverage, earnings management, corporate governance