

ABSTRACT

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ANALYSIS OF THE EFFECT OF OPERATING CYCLE, FIRM SIZE, AND LEVERAGE TOWARDS THE QUALITY OF FINANCIAL REPORTING

(A Study on Mining Companies Listed in IDX Period 2015-2017)

(xiv + 63 pages; 5 figures; 13 tables; 5 appendices)

This study aims to determine the effect of operating cycle, firm size, and leverage of the financial reporting quality. The research objects used in this study are mining companies listed in Indonesia Stock Exchange period 2015-2017. The sample selection is using non-probability purposive sampling method. Based on this method, a sample of 13 companies is obtained out of a population of 41 mining companies. This study is a quantitative descriptive research using secondary data in the form of financial statements. The analysis of this research employs multiple linear regression with SPSS 25.0 program.

The result shows that partially, operating cycle and leverage have a significant positive effect towards the financial reporting quality. Meanwhile, firm size has an insignificant positive effect towards the financial reporting quality. Simultaneously, operating cycle, firm size, and leverage have a significant effect towards financial reporting quality.

Keywords: financial reporting quality, operating cycle, firm size, leverage

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