ABSTRACT

This study aimed to test whether the CAMEL ratios affect earnings management. CAMEL ratios measured using the ratio of six proxies CAR, NPL, NPM, NIM, ROA and LDR. Earnings management as measured by discretionary accruals. The population in this study are all banking companies listed on the Stock Exchange the period 2008-2011. Samples were obtained by 28 companies by the number of observations were 112 samples (over four years with 14 of data outliers). The data used are secondary data from annual reports of each company were obtained from IDX website and the website of each company. Samples obtained by using purposive sampling. The calculation of earnings management using the formula Modified Jones Model. Hypothesis testing using multiple regression analysis with the help of statistics program R version 2.15.2. The test results showed that the ratio of CAR, NPL, NPM, NIM, ROA and LDR have no effect on earnings management significantly.

Keywords : CAR, NPL, NPM, NIM, ROA, LDR, Earnings Management