

ABSTRACT

This study aims to obtain empirical evidence whether the ownership structure, financial performance and firm size affect earnings management. There are 30 manufacturing companies listed on the Indonesia Stock Exchange in the period 2009-2011 was selected as the sample in this study, where the sampling technique used is purposive sampling. The dependent variable earnings management proxied by discretionary accruals (DA). The independent variable of ownership structure is two managerial ownership and institutional ownership. Managerial ownership variable proxied by the percentage of shares owned by the management of the entire outstanding share capital of the company. Institutional ownership variable proxied by the percentage of shares owned by institutions of all outstanding share capital. Financial performance variables proxied by profitability ratios return on assets (ROA). Proxied by firm size variable the natural logarithm of total assets. The findings in this study indicate that managerial ownership, institutional ownership, financial performance and firm size has no effect on earnings management.

Keywords :Managerial Ownership, Institutional Ownership, Financial Performance, Company Size, and Earnings Management