

ABSTRACT

Vera Veronika. Effect of Information Asymmetry, Company Size, and Leverage to Earnings Management Practices in the Banking Companies Listed on the Indonesia Stock Exchange.

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This study aimed to examine the effect of information asymmetry, company size, leverage against the practice of earnings management. Population in this research is the banking company is listed on the Indonesia Stock Exchange. The samples in this study were as many as 26 banking companies listed in Indonesia Stock Exchange 2009-2011 period were selected using purposive sampling method. The data analysis technique used is to measure the spread of information asymmetry, In total assets to measure company size, debt ratio to measure leverage, and discretionary accruals to measure earnings management practices. Hypothesis testing using multiple regression analysis using SPSS. The test results show that information asymmetry has no effect on earnings management practices, company size has no effect on earnings management practices, and leverage has no effect on earnings management practices. Simultaneously information asymmetry, company size, and leverage has no effect on earnings management practices.

Keywords: *Earnings Management Practices, Information Asymmetry, Company Size, and Leverage*