

ABSTRACT

The aim of this research was to investigate the influence of information asymmetric, and implementation of corporate governance and earning management of the banking companies listed in the Indonesian Stock Exchange. Corporate governance mechanisms that used in the research, was : Independent board of commissioner composition and Independent board of audit committee composition. The asymmetric information was measured by using the bid-ask spread relative method. While the earning management was proximate by using discretionary accruals which were measured by using modified Jones model.

The samples in this research were banking companies listed in Indonesian Stock Exchange in the year of 2009-2011. Total sample in this research were 18 companies that selected by using purposive sampling method. This research used the multiple regression analysis method to investigate the influence of information asymmetric and implementation of corporate governance and earning management.

The results of this research indicated that information asymmetric, Independent board of commissioner composition and Independent board of audit committee composition did not have significant influence to the earning management.

Keywords : Information asymmetric, Implementation of Corporate Governance and Earnings Management