

ABSTRACT

The purpose of this study was to know the influence of institutional ownership structure, audit quality, good corporate governance mechanisms, farm size, and leverage to the earnings management. The study focused on manufacturing companies listed in Bursa Efek Indonesia during 2011-2014.

The study used purposive sampling method in order to collect the sample. Population in this study was to all manufacturing companies listed in Bursa Efek Indonesia during 2011-2014. Based on certain criteria, there were 50 of 151 manufacturing companies that matched with the sample. The statistical method used in this study was mutiple regression.

The result of this study showed that good corporate governance has the significant (0,004) effect to the earnings management. Institutional ownership has the significant (0,001) effect to the earnings management. audit quality has the significant (0,003) effect to the earnings management. farm size has the un-significant (0,18) effect to the earnings management. Leverage has the un-significant (0,105) effect to the earnings management. The goodness of fit testing showed that good corporate governance, institutional ownership, audit quality, farm size and leverage were influenced to the earnings management with count F value 26.990 and significant 0,000. The adjusted ² was 0,662, that showed the influence of institutional ownership structure, audit quality, good corporate governance mechanisms, farm size, and leverage to the earnings management at 66,2%

Keywords: *Earnings management; institutional ownership structure; audit quality; good corporate governance mechanisms; farm size; and leverage*