

ABSTRACT

The aim of this research is to examine the influence of corporate governance mechanisms, profitability, company size, and audit quality on the earnings management practice in property and real estate companies listed in Indonesia Stock Exchange. This search used 38 listed property and real estate companies in Indonesia Stock Exchange, selected using purposive sampling method, during the research period 2011 until 2014. Data were analyzed using multiple regression method. The result of the analysis indicated that profitability had influence on earnings management practice. It means profit or loss that was reported by the management will motivate the management in doing the earnings management practice. While the other four variables, namely independent commissioner, institutional ownership, company size, and audit quality have no effect.

Keywords: corporate governance, profitability, company size, audit quality, and earnings management