

ABSTRAK

Penelitian ini bertujuan untuk menguji pengaruh *good corporate governance*, *free cash flow*, dan *firm size* terhadap *earnings management*. Mekanisme *good corporate governance* yang digunakan dalam penelitian ini terdiri dari kepemilikan institusional, kepemilikan manajerial, dewan direksi, dewan komisaris, dan komite audit. Pada penelitian ini *earnings management* diukur dengan *discretionary accrual* menggunakan *Modified Jones Model*.

Jenis penelitian ini penelitian kuantitatif. Teknik pengambilan sampel dalam penelitian ini dengan menggunakan metode *purposive sampling* berdasarkan kriteria yang telah ditentukan diperoleh sebanyak 156 data sampel dari 39 sampel perusahaan pada perusahaan manufaktur yang terdaftar di Bursa Efek Indonesia (BEI) selama 4 tahun pada periode tahun 2014 sampai 2017. Metode analisis yang digunakan adalah analisis regresi linier berganda dengan program SPSS versi 20.

Hasil penelitian menunjukkan bahwa dewan direksi dan dewan komisaris berpengaruh positif terhadap *earnings management*. Kemudian *free cash flow* dan *firm size* berpengaruh negatif terhadap *earnings management*. Sedangkan kepemilikan institusional, kepemilikan manajerial, dan komite audit tidak berpengaruh terhadap *earnings management*.

Kata kunci: *Good corporate governance*, *free cash flow*, *firm size*, dan *earnings management*.

ABSTRACT

This research aimed to examine the effect of good corporate governance, free cash flow, and firm size on earnings management. The good corporate governance mechanism consisted of institutional ownership, managerial ownership, board of directors, board of commissioners, and audit committee. While, the earnings management is measured by discretionary accruals which used Modified Jones Model.

The research was quantitative. Moreover, the sampling collection technique used purposive sampling in which the sample was taken based on criteria given. In line with, there were 156 samples from 39 companies at manufacturing companies which were listed on Indonesia Stock Exchange for 4 years (2014-2017). In addition, the data analysis technique used multiple linear regression with SPSS version 20.

The research result concluded the board of directors and board of commissioners had positive effect on the earnings management. On the other hand, the free cash flow and firm size had negative effect on the earnings management. Moreover, the institutional ownership, managerial ownership, and audit committees did not effect on the earnings management.

Keywords: Good Corporate Governance, Free Cash Flow, Firm Size, Earnings Management.