

## ABSTRACT

**Fildza Aqmarina Imanda.** 2015. Thesis. Title: *"Effect of Quality Auditor and Corporate Governance towards Profit Management (Empirical Study on the LQ-45 Company Listed on the Stock Exchange in 2011-2013)"*

**Supervisor :** Yona Octiani Lestari, SE., MSA., Ak

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Nowaday, many private and government companies engineered earnings profit information within financial report for the sake of the company's management. To avoid these conditions, the company adopted good corporate governance or commonly called the Good Corporate Governance (GCG). The purpose of this study was to investigate the influence of the quality of auditors and corporate governance to earnings management in LQ-45 Company listed on the Stock Exchange. Auditor quality is measured by the size of the firm. While for corporate governance measures used in this study include institutional ownership, managerial ownership independent board.

The sample used in this study is the LQ-45 Company listed on the Stock Exchange in 2011 - 2013. The total samples were 14 companies which determined based on purposive sampling method. This study used multiple regression analysis to examine the effects of corporate governance and quality auditors to earnings management.

The results showed that the variables of managerial ownership, institutional ownership, and quality auditor have no effect on earnings management, while variable independent board showed the results of significant effect on earnings management.