ABSTRACT

Earnings management is an act of manipulation of earnings reports made by the manager for a particular purpose. This study aims to determine: 1) institutional ownership has a negative influence on the management, 2) the size of the company negatively affect earnings management and 3) leverage positive effect on earnings management.

This research was conducted on banking companies listed in the Indonesia Stock Exchange during the years 2011-2014 in a row. The data in this study, using secondary data, the company's financial statements. The sampling technique used purposive sampling techniques, in order to obtain a sample of 21 banking companies. The data analysis using descriptive statistics test, the classic assumption test consists of normality test, autocorrelation test, multicollinearity test, heteroscedasticities test and multiple linear regression analysis and hypothesis testing.

Results of the study: 1) institutional ownership negatively affect earnings management, 2) restricted the size of the company does not affect earnings management, 3) leverage not affect the earnings management,

Keywords: Institutional Ownership, Firm Size, Leverage and Earnings Management.