

## **ABSTRACT**

*This study aimed to analyze the effect of the effective IFRS convergence in 2012, accounting complexity, the probability of company bankruptcy and bonus compensation to earnings management with corporate governance as moderating variables. IFRS convergence measured using dummy variables, accounting complexity is measured by the number of subsidiaries, the probability of company bankruptcy is measured by the value of Altman Z-Score and bonus compensation is measured by a dummy variable. The mechanism of corporate governance is measured using three proxies, they are the quality of auditors, the number of audit committee who has accounting and financial skill and institutional ownership.*

*The samples are manufacturing companies listed in Indonesia Stock Exchange 2010-2013. Methods of sampling using purposive sampling and analysis technique using Multiple Regression Analysis.*

*The analysis showed that the convergence of IFRS has negative effect on earnings management, the complexity of accounting has no effect on earnings management, the probability of company bankruptcy has no effect on earnings management, bonus compensation has no effect on earnings management, quality variables auditor does not affect relations of convergence of IFRS to earnings management, audit committee who accounting and financial skill does not affect the relationship convergence of IFRS to earnings management and institutional ownership variable does not affect the relation IFRS convergence to earnings management.*

*Keywords: IFRS Convergence, Accounting Complexity, Probability of Company Bankruptcy, Bonus Compensation, Corporate Governance*