

ABSTRACT

This research aim is to analyze the impact of profitability, firm size, financial distress towards earnings management with good corporate governance as moderating variable. The sample for this research is purposive sampling method in manufacture companies that registered in Indonesia Stock Exchange for the period 2014-2016. Samples of this research are 106 companies. This research used multiple linear regression test to find out the impact of profitability, firm size, financial distress, and interaction between good corporate governance toward profitability, firm size, and financial distress. The result of this research indicated that firm size negative and significantly influences earnings management. Besides, this research also show that good corporate governance is able to moderate the relationship of profitability, firm size, and financial distress between earnings management.

Keywords: *profitability, firm size, financial distress, good corporate governance, earnings management*

ABSTRAK

Penelitian ini bertujuan untuk menganalisis pengaruh *profitability, firm size, financial distress* terhadap *earnings management* dengan *good corporate governance* sebagai variabel moderasi. Pemilihan sampel pada penelitian ini menggunakan metode *purposive sampling* pada perusahaan manufaktur yang terdaftar di Bursa Efek Indonesia periode 2014-2016. Sampel penelitian ini sebanyak 106 perusahaan. Penelitian ini menggunakan uji regresi linier berganda untuk mengetahui pengaruh dari *profitability, firm size, financial distress*, dan interaksi antara *good corporate governance* terhadap *profitability, firm size*, serta *financial distress*. Hasil penelitian ini menunjukkan bahwa *firm size* berpengaruh negatif signifikan terhadap praktik *earnings management*, akan tetapi *profitability* dan *financial distress* tidak berpengaruh terhadap *earnings management*. Selain itu penelitian ini juga menunjukkan bahwa variabel *good corporate governance* mampu memoderasi hubungan *profitability, firm size, dan financial distress* terhadap *earnings management*.

Kata kunci: *profitability, firm size, financial distress, good corporate governance, earnings management*