

**THE IMPACT OF OWNERSHIP STRUCTURE, AUDIT QUALITY,  
AND FIRM SIZE TOWARD EARNINGS MANAGEMENT  
THROUGH REAL ACTIVITIES MANIPULATION**

**Presented as Partial Fulfillment of the Requirements for the Degree of  
Sarjana Ekonomi (S1) in International Financial Accounting Program**

**Faculty of Economics, Universitas Atma Jaya Yogyakarta**

**UNDERGRADUATE THESIS**



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**UNIVERSITAS ATMA JAYA YOGYAKARTA**

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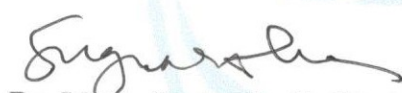
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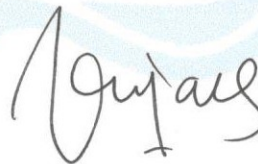
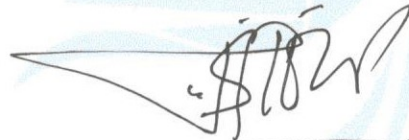
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## **AUTHENTICITY ACKNOWLEDGEMENT**

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**THE IMPACT OF OWNERSHIP STRUCTURE, AUDIT QUALITY, AND  
FIRM SIZE TOWARD REAL EARNINGS MANAGEMENT THROUGH  
REAL ACTIVITIES MANIPULATION**

is actually my own thinking and writing. I fully know and understand that my writings do not contain others' or part(s) of others' writing, except for those that have been cited and mentioned in the bibliography.

Yogyakarta, October 17, 2016



Yoseph Khartiko Dwi Tandiono

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Yogyakarta, October 17, 2016

Yoseph Khartiko Dwi Tandiono

**MOTTO**

Psalm 90:12

Teach us to number our days, that we may gain a heart of wisdom.

1 Peter 5:7

Cast all your anxiety on Him because He cares for you.

七転び八起き

Fall down seven times, get up eight.

(Japanese Proverb)

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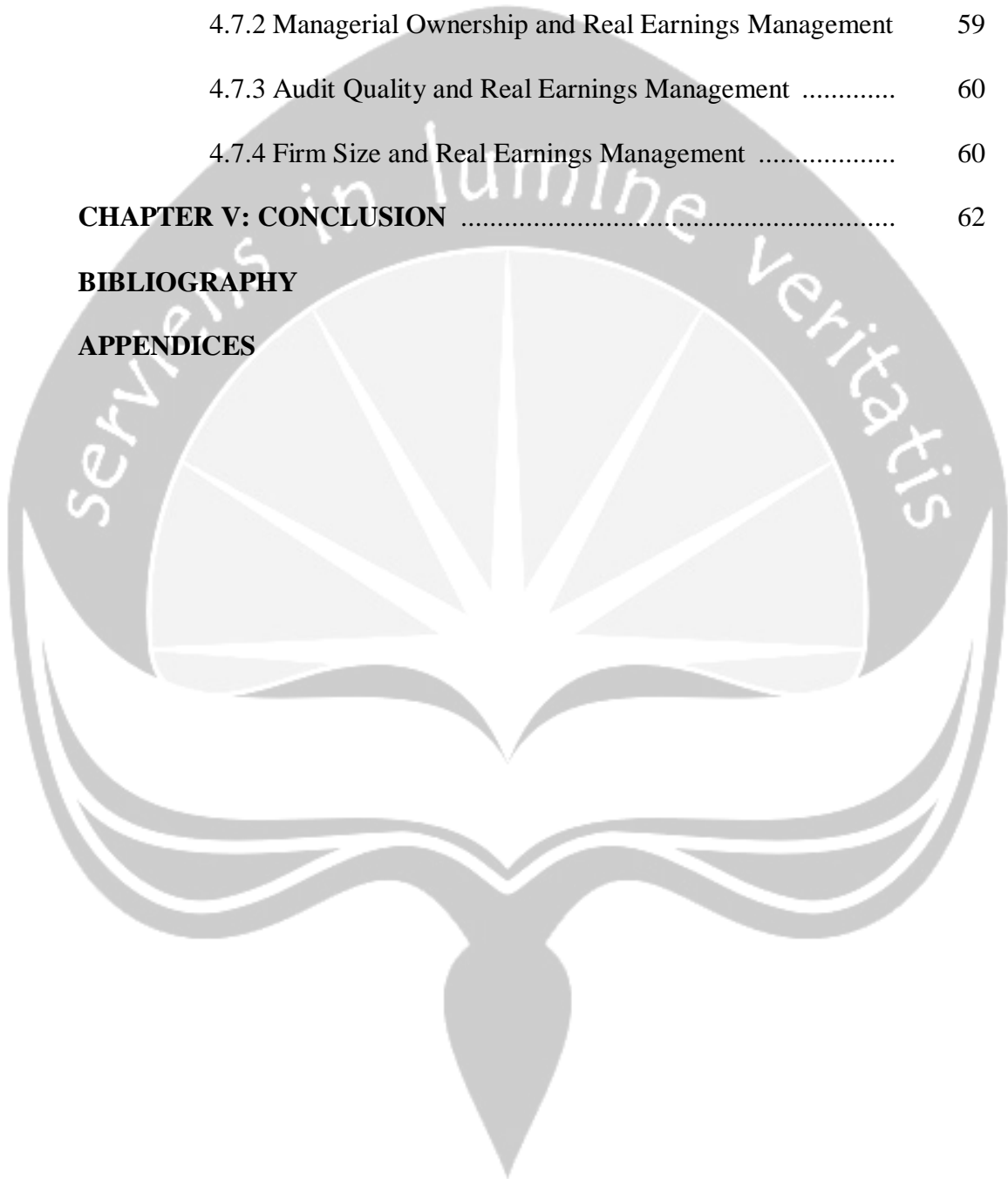
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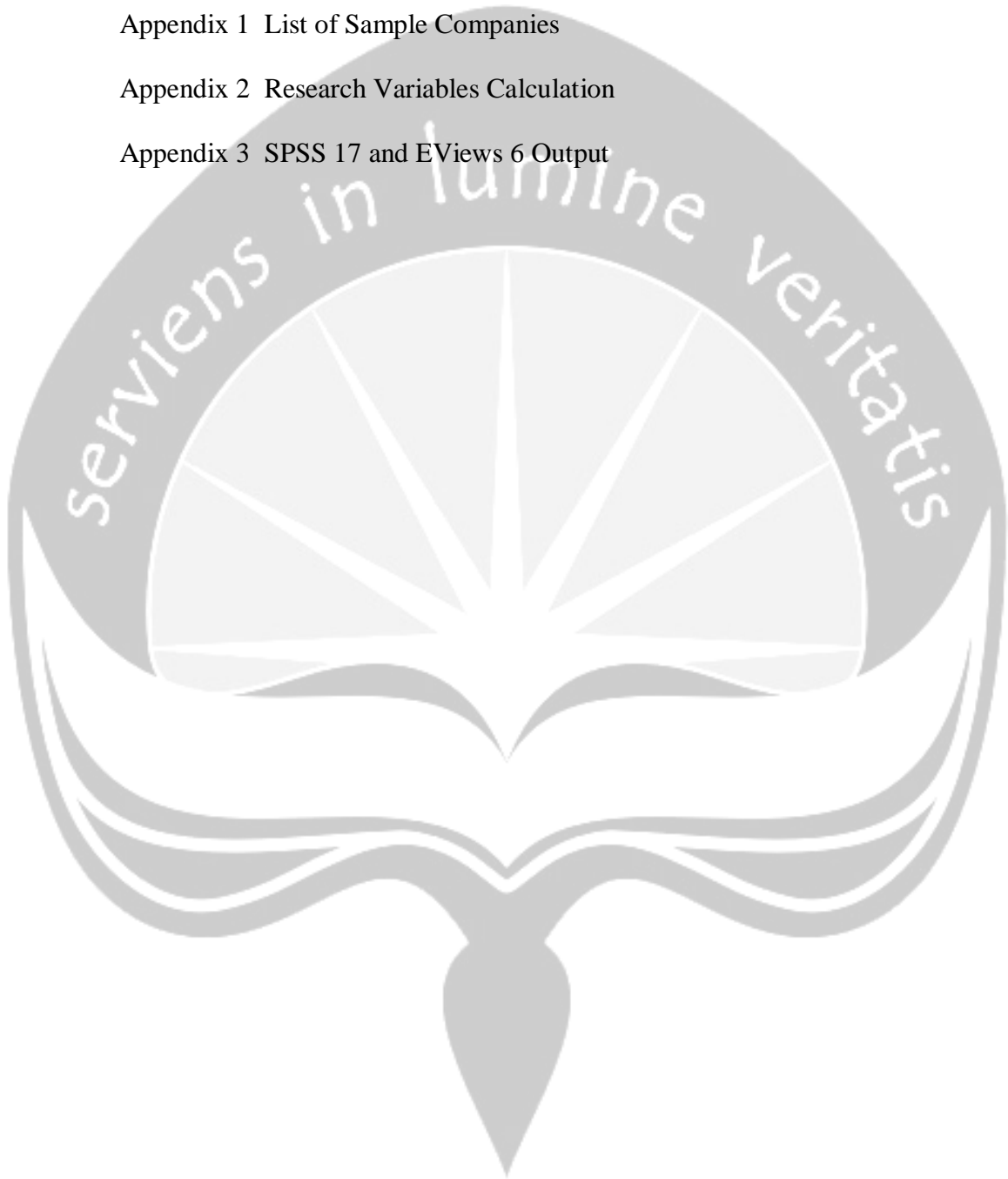
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## **Abstract**

This research is conducted in order to prove the impact of ownership structure, audit quality, and firm size toward earnings management through real activities manipulation proxied by REM Index. Purposive sampling is used as the sampling method. Samples included in this research are manufacturing firms listed in Indonesian Stock Exchange (IDX) during 2009-2014. Based on the criteria, there are 577 manufacturing firms used as a sample. Multiple regression is used to test the hypotheses.

The result shows that institutional ownership, managerial ownership, and audit quality do not have any impact toward real earnings management. Otherwise, firm size positively and significantly impacts toward real earnings management.

**Keywords:** ownership structure, institutional ownership, managerial ownership, audit quality, firm size, abnormal cash flow from operations, abnormal production, abnormal discretionary expenses, real earnings management, REM Index.