THE IMPACT OF IFRS CONVERGENCE ON EARNINGS QUALITY IN INDONESIA

Thesis

Presented as Partial Fulfillment of the Requirements for the Degree of

Sarjana Ekonomi (S1) in Accounting Program

Faculty of Economics Universitas Atma Jaya Yogyakarta

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NOVEMBER 2017

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Thesis entitled

THE IMPACT OF IFRS CONVERGENCE ON EARNINGS QUALITY IN INDONESIA

Be accepted 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

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November 14th, 2017

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The Impact of IFRS Convergence on Earnings Quality in Indonesia

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Has been defended and accepted on December 5th, 2017 towards fulfillment of requirements for the Degree of Sarjana Ekonomi (S1)

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AUTHENTICITY ACKNOWLEDGEMENT

I hereby declare that the thesis with the title:

The Impact of IFRS Convergence on Earnings Quality in Indonesia

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

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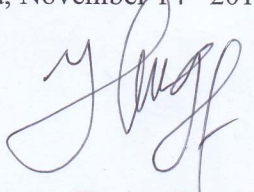

Hening Sugandi

ACKNOWLEDGEMENT

It has been impossible to finish this thesis without the blessing of God and the helping hands of others. In the process of my thesis writing, I have been truly blessed by the presence of:

1. Mrs. Pratiwi Budiharta, SE., MSA., Akt., CA. who has been patiently guide me to finished this thesis. I am grateful to have her as my thesis supervisor.
2. All the lecturers who have been patiently teach and share their knowledge during my academic period. Thank you for all the knowledge and experiences.
3. Papa, Mama and Fin-fin who are the reasons behind my hard work to finished this degree. They are the people behind my greatest gratitude for always do their best to fulfill my needs in many ways. I promise to make you guys proud of me.
4. IFAP 2013: Odil, Arif, Vana, Dianti, Linda, Aryo, Caca, Grace, Eta, Deva, Lisa, Jean, Denny, Jonathan, Vania, Novi, and Damar. Thank you for the long companions and memories we shared together. Especially Odil, Arif, Vana, Didiw and Aryo for being people I met the most during this thesis writing process, thank you for your presences and advices.
5. My best companions during these four exhausting-yet-wonderful years. Especially Atta, Arlin, Ingrid, and Mickey for being there for the most time of college life, including class, assignments, and entertainments, whenever

I need. And also, Winsen as my savior for most of the data collection. Thank a bunch guys.

6. KKN 70 Kelompok 4 Padukuhan Cekel: Clara, Ryan, Bagas, Bagus, Fita, Andi, Rena, Shanti and Jati. Thank you for the spirit and supports. Glad to have the chance to know you guys during my last semester in UAJY.
7. To all my girls in Kost Bella Vista, Cia, Fensy, Ema, Pipit, Galuh, Grace, Anggi, Juju, Ervin, Khairin and others, including Mas Mul. And also to the whole members of FE UAJY basketball team, especially Mbak Nov, Mbak Sis, Kak Pus, Kak Cia and everyone in the group which I do not mention here. Thanks for being a part of my college life and being my stress reliever for most of the time. Thanks for the memories we shared together.
8. And the last but not least, Bram, for being such a good listener to all my stories, including the happiness, angers, disappointments and the drama. Thanks for being my number one supporter through ups and downs.
9. Other parties that I cannot mention one by one, thank you for your kindness and support throughout the process.

I realize that this thesis is still far from perfect. I am open to any kind of suggestion or recommendation to improve this thesis. I hope that this thesis would be useful in any kind of way for everyone.

Yogyakarta, November 14th 2017

Hening Sugandi

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Abstract

The research examines the impact of IFRS convergence into PSAK on earnings quality in Indonesia. The research uses 558 samples that are taken from 93 companies that are listed in the Indonesia Stock Exchange (IDX) from 2005-2007 and 2012-2014, we exclude 3 years since 2008-2011 is the preparation process of the IFRS converging. Earnings quality is measured using earnings management which is measured using Chua et al. (2012) framework.

The result of the research is that there is a significant difference in earnings management between before and after the full implementation of IFRS convergence into PSAK in Indonesia with evidence from listed manufacturing companies.

Keywords: Earnings Quality; IFRS convergence; earnings management; manufacturing companies