

THE IMPACT OF GENDER ON EARNINGS MANAGEMENT
(Empirical study of the Manufacturing Companies listed on Indonesia Stock
Exchange during the Period 2000-2010)

Presented as Partial Fulfillment of the Requirements for the Degree of
Sarjana Ekonomi (S1) in Accounting Program Faculty of Economics
Universitas Atma Jaya Yogyakarta

THESIS



Compiled by:

Jati Setiawan

Student ID Number: 08 15 17152

FACULTY OF ECONOMICS
UNIVERSITAS ATMA JAYA YOGYAKARTA
YOGYAKARTA,
JULY 2013

THE IMPACT OF GENDER ON EARNINGS MANAGEMENT
(Empirical study of the Manufacturing Companies listed on Indonesia Stock
Exchange during the Period 2000-2010)

Presented as Partial Fulfillment of the Requirements for the Degree of
Sarjana Ekonomi (S1) in Accounting Program Faculty of Economics
Universitas Atma Jaya Yogyakarta

THESIS



Compiled by:

Jati Setiawan

Student ID Number: 08 15 17152

FACULTY OF ECONOMICS
UNIVERSITAS ATMA JAYA YOGYAKARTA
YOGYAKARTA,
JULY 2013

Faculty of Economics

Universitas Atma Jaya Yogyakarta

I hereby recommend that the thesis prepared under my supervision by

Jati Setiawan

Student ID Number: 08 15 17152

Thesis Entitled

THE IMPACT OF GENDER ON EARNINGS MANAGEMENT

(Empirical study of the Manufacturing Companies listed on Indonesia Stock

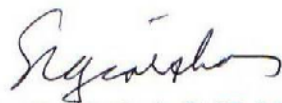
Exchange during the Period 2000-2010)

Be accepted in partial fulfillment of the requirements for the Degree of Sarjana

Ekonomi (S1) in International Finance and Accounting Program

Faculty of Economics, Universitas Atma Jaya Yogyakarta

Advisor,



Dr. I Putu Sugiarta S., SE., M.Si, Ak.

Yogyakarta, June 07, 2012

This is to certify that the thesis entitled

THE IMPACT OF GENDER ON EARNINGS MANAGEMENT

(Empirical study of the Manufacturing Companies listed on Indonesia Stock

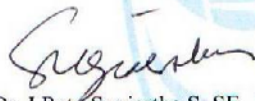
Exchange during the Period 2000-2010)

Presented by
Jati Setiawan
Student ID Number: 08 15 17152

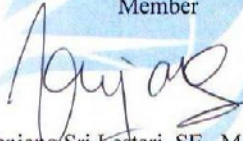
Has been defended and accepted on July 9, 2013 towards fulfillment of the
requirements for the Degree of Sarjana Ekonomi (S1)
In International Financial Accounting Program
Faculty of Economics, Universitas Atma Jaya Yogyakarta

Examination Committee

Chairman


(Dr. I Putu Sugiarta S., SE., M.Si., Ak.)



Member


(Jenjang Sri Lestari, SE., M.Comm., Akt.)


(Drs. YB. Sigit Hutomo, M. BAcc., Akt.)

Yogyakarta, July 9, 2013

Dean



Dr. Dorothea Wahyu Ariani, SE., MT.

AUTHENTICITY ACKNOWLEDGEMENT

I, Jati Setiawan hereby declare that I compiled the thesis with the following title:

THE IMPACT OF GENDER ON EARNINGS MANAGEMENT
(Empirical study of the Manufacturing Companies listed on Indonesia Stock
Exchange during the Period 2000-2010)

Is really my own thinking and writing, I fully knowledge that my writings does not contain others' or part(s) of others' writing, except for those that have been cited and mentioned in the bibliography.

Yogyakarta, July 2013



Jati Setiawan

ACKNOWLEDGEMENT

Praise the God for the strength and blessing that He gave to me. It would be impossible and hard to accomplish my thesis and my study in Universitas Atma Jaya without His blessing. I am also grateful for the people around me that He gave, who have given their time, support, advise, knowledge and encouragement. Therefore, in this opportunity I would like to express my deepest appreciation to those people who supported me during the time I needed to accomplish my thesis. I would like to say thank you to:

1. My beloved Family - My parent Drs. Sunarto and Wasinah, who always gives their love, care, advice and unlimited support in my life, I love you both. This thesis dedicated to both of you, who have given me the greatest love I ever had and also for uncles, aunties, and cousins thank you so much for a thousand loves, supports, and prays
2. My advisor, Mr. Dr. I Putu Sugiarta S., SE., M.Si., Ak. for the lecture and the guidance in this thesis. Thank you for your willingness to spare time to guide me to finish this thesis. Your patience, suggestions, understanding and cooperation in guiding me through the process in compiling my thesis means everything for this thesis and me.
3. I would also like to thanks for all my lecturers in international and regular class, especially Mr. Parnawa, Mrs. Pratiwi, Mrs. Wiwik, Mrs. Dewi, Mrs. Rustiana, Mrs. Fenyta, Mrs. Jenjang, Mr. Totok, Mr. Eko Widodo, Mr. Andre and still many others that I could not mention it one by one. Thanks for

teaching me from the first semester till the last semester, so I can finish my study in Universitas Atma Jaya Yogyakarta.

4. The International Program administrator, Mr. Adit who always helps, guides and waits patiently in international office.
5. My beloved best friends – Tika, Ella, Putri, Martha, Devon and Kelvin –. It doesn't matter wherever you are, although we are separated by distance, our friendship remains strong. Thank you for the unlimited support and greatest love that you gave. Love you, guys.
6. My Best Friends in International Program - Jacinda, Erika, Bayu, Deasy, Indah, Mega, Vera, Gerry, Mutia, Askha, Regina I greatly value our friendship and I deeply appreciate their belief in me. Thank you for the unlimited support and greatest love that you gave. Love you,
7. Team of 37 KKN 62 – Anna, Wita, Nina, Aquina, Fandy, Chandra, Bhara and Krishna all my KKN friends. Thanks for all laughs and advices in KKN; it was such a great experience ever. Memorable.
8. For all people that I could not mention one by one. Thank you for your support and care. No words can express my happiness to have all of your as parts of my life.

Love,

Jati Setiawan

MOTTO

“Dream, Believe, and Make It Happen”

--- Agnes Monica ---

“If you can dream it, you can do it”

— Walt Disney —

*Janganlah hendaknya kamu kuatir tentang apapun juga,
tetapi nyatakanlah dalam segala hal keinginanmu kepada Allah
dalam doa dan permohonan dengan ucapan syukur.*

Filipi 4:6

TABLE OF CONTENTS

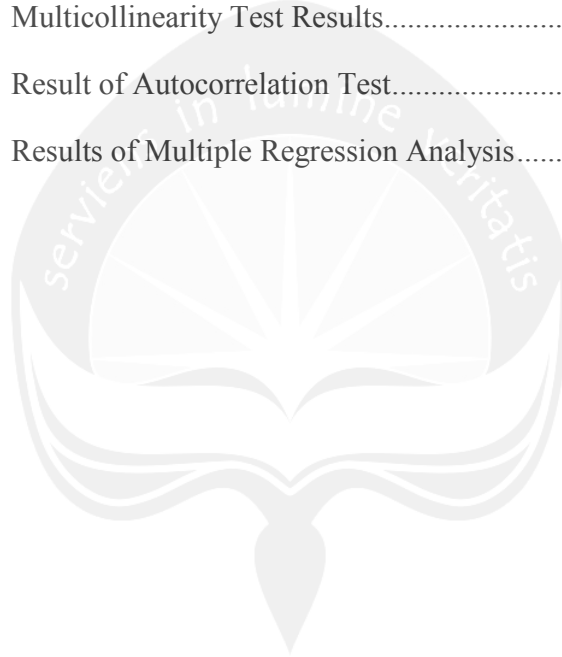
Title	i
Supervisor Approval	ii
Thesis Approval	iii
Authenticity Acknowledgement.....	iv
Acknowledgement.....	v
Motto	vii
Table of Contents	viii
List of Tables.....	xi
List of Appendices	xii
Abstract	xiii
 CHAPTER I INTRODUCTION.....	 1
1.1. Background of The Research.....	1
1.2. Research Question	6
1.3. Objective of the Research	7
1.4. Research Contribution	7
1.5. Systematic of Writing	7
 CHAPTER II THEORITICAL BACKGROUND AND HYPOTHESIS	
DEVELOPMENT	10

2.1. Definition CEO	10
2.2. Gender	12
2.3. Earnings Management.....	13
2.3.1. Earnings Management Definition	13
2.3.2. Motivations for Earnings Management	14
2.3.3. The Patterns of Earnings Management	17
2.3.4. Empirical Model of Earnings Management Management	19
2.4. Positive Accounting Theory.....	23
2.5. Statement of Financial Accounting Concepts No. 8	25
2.6. Hypothesis Development	28
 CHAPTER III RESEARCH METHOD	 30
3.1. Population and Sample.....	30
3.2. Data Collection Method	31
3.3. Variables.....	31
3.3.1. Variable Research.....	31
3.3.2. Operational Definition and Measurement	32
3.3.3. Control Variables	34
3.4. Data Analysis Method.....	37
3.4.1. Normality Test.....	37
3.4.2. Multicollinearity Test	37

3.4.3. Heteroscedasticity Test.....	38
3.4.4. Autocorrelation Test.....	38
3.4.5. Hypothesis Test	39
 CHAPTER IV DATA ANALYSIS	41
4.1. Sample Selection.....	41
4.2. Descriptive Statistics.....	42
4.3. Normality Test.....	44
4.4. Multicollinearity Test.....	46
4.5. Heteroscedasticity Test	47
4.6. Autocorrelation Test.....	48
4.7. Regression Analysis	49
4.8. Analysis Discussion	51
 CHAPTER V CONCLUSION AND LIMITATION.....	53
5.1. Conclusion.....	53
5.2. Research Limitations.....	54
5.3. Suggestion for Future Research	54
 REFERENCES	

LIST OF TABLES

Table 4.1	Sample Selection	43
Table 4.2	Results of Descriptive Analysis.....	44
Table 4.3.	Normality Test Results	46
Table 4.4.	Normality Test Result Data After Trimming.....	47
Table 4.5	Multicollinearity Test Results.....	48
Table 4.6	Result of Autocorrelation Test.....	50
Table 4.7	Results of Multiple Regression Analysis.....	51



LIST OF APPENDICES

Appendix I	List of Companies
Appendix II	Research Data
Appendix III	Descriptive Statistics
Appendix IV	Normality Test
Appendix V	Multicollinearity Test
Appendix VI	Heteroscedasticity Test
Appendix VII	Autocorrelation Test
Appendix VIII	Regression

THE IMPACT OF GENDER ON EARNINGS MANAGEMENT
(Empirical study of the Manufacturing Companies listed on Indonesia Stock
Exchange during the Period 2000-2010)

Compiled by

Jati Setiawan

Student ID Number: 08 15 17152

Advisor

Dr. I Putu Sugiarta S., SE., M.Si., Ak.

ABSTRACT

This study aims to test the impact of gender to earnings management. Earnings Management is measured by discretionary accruals, this model is develop by Dechow and Dichev (2002). Samples in this study are manufacturing companies listed in Indonesia Stock Exchange from 2000 until 2010 which meets the sample criteria.

This study used regresion analysis to test the hypothesis. The result of this research shows that the hypothesis is accepted. This finding means if the president director of the company is female will not to do earnings management.

Key words: Earnings management, Gender