

## CHAPTER V

### CONCLUSION AND LIMITATION

#### 5.1 Conclusion

The results of this study indicate that the variables of good corporate governance commissioner such as board size, number of meetings of the board commissioner, commissioner of independent board composition, the audit committee size, number of meetings of the audit committee, audit committee, competency, quality audits not have any impact on earnings management through real activities manipulation.

This study does not support the research of Watts and Zimmerman (1986), corporate governance attributes help investors by aligning the interests of managers with the interests of shareholders and by enhancing the reliability of financial information and the integrity of the financial reporting process. But this study support the research of Riyanto (2005) stated that shareholders expect managers can act professional. All that is done by the management should aim to increase the value or quality of the company. But what often happens is that everything is done management is not solely for the welfare of the company, but also to improve the personal well-being.

## 5.2 Limitation of the Research

This research has limitation, the limitation from this research are:

1. The research sample is restricted by only merchandising companies that listed in Indonesian Stock Exchange (IDX) years 2009-2013.
2. This research only observes real activities manipulation variable, characteristics of board commissioner, characteristics of audit committee, and firm size

## 5.3 Suggestion

As far as the researchers knowledge, there is no studies in Indonesia that discuss the influence of good corporate governance on earnings management through real activities manipulation. This study is expected to provide ideas for future research related to the influence of corporate governance on the real activities manipulation. In connection with the results documented in this study, there are several opportunities for further research among others:

1. Future research can extend the period of the study sample and the sample companies may use non-merchandise in order to test the consistency of the findings in this research.
2. Future studies can also add variables, one of the variables that can be used are characteristics of board directors. Several characteristics of the board directors in the company may restrict the practice of manipulation of real activity. Therefore, we expect everal characteristic

of board directors could affect the company's decision to engage in the practice of real activities manipulation.



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