

**THE IMPACT OF CEO ORIGIN ON EARNINGS MANAGEMENT  
THROUGH REAL ACTIVITIES MANIPULATION**

**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:**

**Zerlita Vania Lukito**

**Student ID Number: 121519636**

**FACULTY OF ECONOMICS  
UNIVERSITAS ATMA JAYA YOGYAKARTA  
YOGYAKARTA,  
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**Faculty of Economics**

**Universitas Atma Jaya Yogyakarta**

I hereby recommended that the thesis prepared under my supervisor by

**Zerlita Vania Lukito**

**Student ID Number: 121519636**

Thesis Entitled

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Be accepted in partial fulfillment of requirements for the Degree of Sarjana  
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Economics Universitas Atmajaya Yogyakarta

**Advisor**



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

**Yogyakarta, 14 March 2016**

This is certify that the thesis entitled

**THE IMPACT OF CEO ORIGIN ON EARNINGS MANAGEMENT  
THROUGH REAL ACTIVITIES MANIPULATION**

Written by:

**ZERLITA VANIA LUKITO**

**Student ID Number: 121519636**

Has been defended and accepted on 8 April 2016 towards fulfillment of  
requirements for the Degree of Sarjana Ekonomi (S1) in Accounting Program

Universitas Atma Jaya Yogyakarta

**EXAMINATION COMMITTEE**

**Chairman**


**Members**



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



**Dra. Dewi Ratnaningsih, MBA., Akt.**



**A. Totok Budisantoso, S.E.,  
MBA., Akt., CA.**

**Yogyakarta, 8 April 2016**

**Dean of Faculty of Economics**



**Budi Suprpto, MBA., Ph.D.**

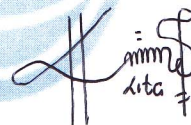
## **AUTHENTICITY ACKNOWLEDGEMENT**

I, Zerlita Vania Lukito hereby declare that I compiled the thesis with the following title:

### **THE IMPACT OF CEO ORIGIN ON EARNINGS MANAGEMENT THROUGH REAL ACTIVITIES MANIPULATION**

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

Yogyakarta, 14 March 2016

A handwritten signature in black ink, appearing to read 'Zerlita Vania Lukito', with a stylized flourish at the end.

Zerlita Vania Lukito

**Motto**

**I CAN DO ALL THINGS THROUGH CHRIST WHO  
STRENGTHENS ME. – PHILIPPIANS 4:13**

## **ACKNOWLEDGEMENT**

I would like to give thank to my God and my King, Jesus Christ for being my strength and my hope in writing this thesis with the title “The Impact of CEO Origin on Earnings Management through Real Activities Manipulation” as a compulsory requirement for undergraduate degree in International Financial Accounting Program of Universitas Atma Jaya Yogyakarta. Only because of His mercy, His grace, and His unconditional love, I can finish this thesis. Thank you for being my hiding place and always fill my heart with songs of deliverance whenever I am afraid.

I also want to thank to the following people who have important part during the process to finish this thesis:

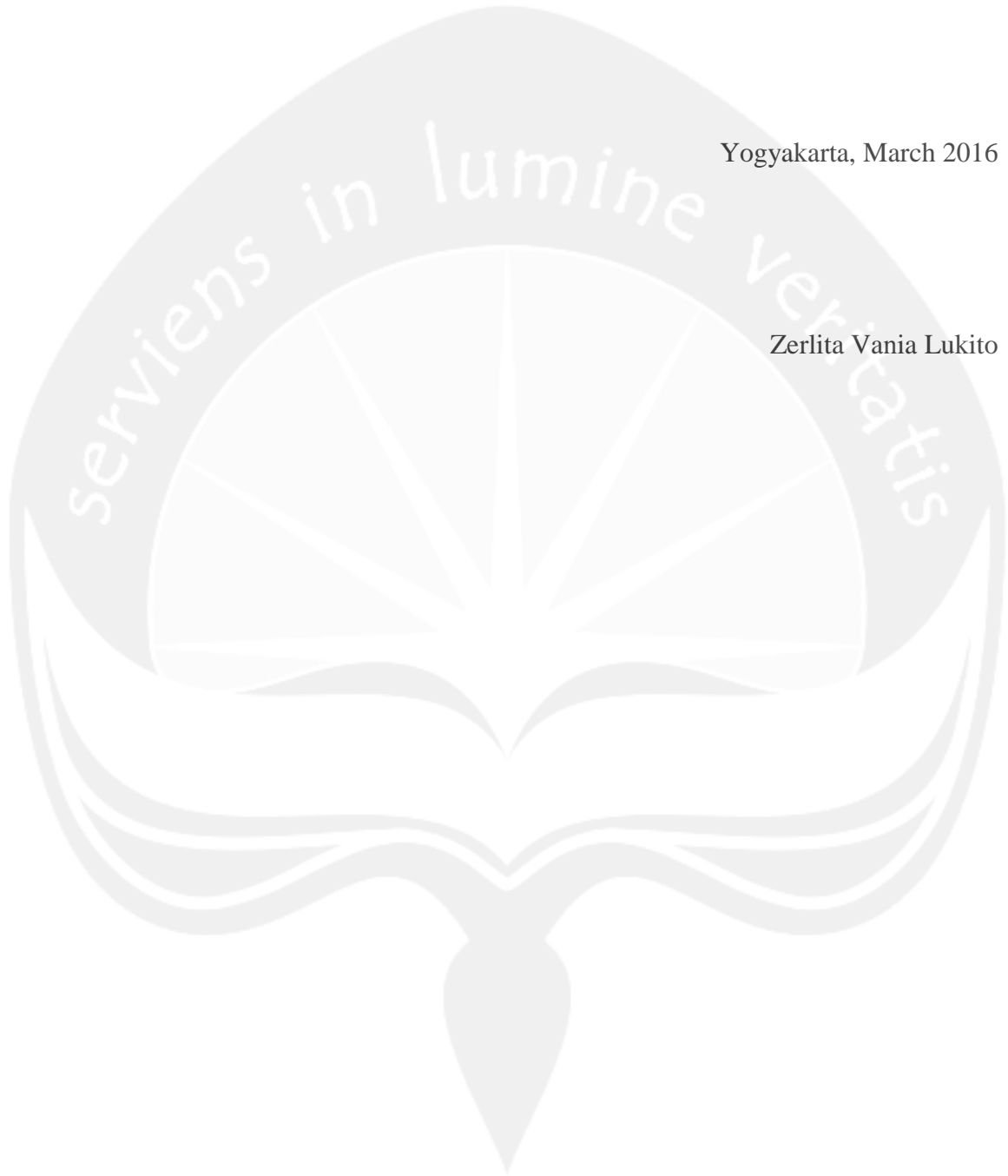
1. My beloved family, my mom, my sisters, my brothers in law, my nephews. Thank you for all your support, caring, love, encouragement, advice, motivation, and pray. Love you all.
2. Dean of Economic Faculty, Budi Suprpto, MBA., Ph.D.
3. My advisor, Dr. I Putu Sugiarta S., SE., M.Si., Ak., CA. Thank you for your support, patience, and motivation for my undergraduate study and thesis. Your guidance helped me to finish this thesis.
4. International program administrator, Mrs. Henny who always helps the administration in international department.
5. My dancer team, Shekinah Dancers, who always support me in the prayer. Thank you for humor, motivation and encouragement.

6. My friends and my classmates who always support and help me.

Thank you for your companion when I feel down or bored.

Yogyakarta, March 2016

Zerlita Vania Lukito



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**Supervised by:**

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## **Abstract**

This research examines whether CEO origin gives impact on earnings management through real activities manipulation. The sample of this study is 583 observations during 2007-2014. This research uses purposive sampling to collect data from Indonesian Stock Exchange. This research is conducted by using annual reports of manufacturing companies listed in Indonesian Stock Exchange. Independent variable is CEO origin (outside and inside) and dependent variable is earnings management. CEO origin is measured by using dummy variable. Earnings management through real activities manipulation is measured by using abnormal cash flow from operation and abnormal discretionary expenses. To analysis data, this research uses multiple regression model. The results of this research show that CEO origin does not give impact on earnings management through real activities manipulation. It indicates that new outside CEOs will not have positive impact on income-increasing manipulation.

Keywords: CEO origin, earnings management, real activities manipulation, return on assets.