Abstract

The purpose of this study is to analyze the factors that influence earnings quality in companies listed on the Indonesia Stock Exchange (IDX). Earnings quality is measured by the size of the board of directors, managerial ownership, independent board of directors, independent audit committee, audit committee size, and firm value as independent variables.

The study population was taken from the annual report of companies listed on the Indonesia Stock Exchange in the period 2011 to 2015. The samples that met the criteria for this study were 410 companies or 2,050 observation data.

The results showed that the size of the board of directors and independent audit committee had a significant positive effect on earnings quality. While managerial ownership and independent board of directors have no significant relationship to earnings quality. The size of the audit committee and the size of the company have a significant negative relationship to earnings quality.

Keywords: earnings quality, board size, managerial ownership, independent board of directors, independent audit committee, audit committee size, and company size.