Abstract

This case aims to analyze the existence of the influence leverage and institutional ownership that will affect the quality of financial reporting statements in companies listed on Indonesia Stock Exchange. The variable taken in this study consisted of variable leverage, institutional ownership, return on assets, market to book ratio, year, size, beta and the variable control is firm age.

The total companies that used the research samples was 347 companies in the 2013-2017 period that using the purposive sampling method. This study case using statistical software that using by testing data in the form of SPSS and Eviews.

The conclusion from the results is leverage and institutional ownership have effect significant negative on the financial reporting quality, while the variable of return on assets and firm size show significant positive results on financial reporting quality. Market to book ratio, year, beta and control variable which are the firm age showed the no significant results on the financial reporting quality.

Keywords: Leverage, Institutional Ownership, Financial Reporting Quality.