# ABSTRACT

*Harry Setiawan (39150340) / 2019 / Effect of Company Size, Audit Committee & Leverage on Profit Management in Manufacturing Companies Listed on the Indonesia Stock Exchange 2015-2017 / Supervisor: Prima Apriwenni, S.E, Ak., M.M., M.Ak.*

*Earnings management can be influenced by various factors including company size, audit committee and leverage. This study only took these three factors from previous studies where there were inconsistencies between the results of one study with another with the same variable. This study aims to determine the effect of company size, audit committee and leverage on earnings management in manufacturing companies listed on the Indonesia Stock Exchange for the period 2015-2017.*

*This research is based on agency theory. Agency theory is a theory developed to explain and predict the relationship between agent (management) and principal (shareholders).*

*The population in this study were manufacturing companies listed on the Indonesia Stock Exchange in 2015-2017, the sampling technique was determined based on the purposive sampling method so that the total sample of 123 companies was produced during 2015-2017. The data used are secondary data taken through observation techniques that consist of manufacturing company financial statements 2015-2017. To test the relationship between company size, audit committee, and leverage on earnings management, researchers used the SPSS 20 program for the coefficient similarity test (Pooling), descriptive statistical tests, classic assumption tests, multiple regression tests, coefficient of determination tests, simultaneous significant tests (test F), and partial regression coefficient test (t test).*

*The results of this study indicate that data can be pooled, passed the classic assumption test because it has met established criteria and passed the t test. Partial regression coefficient test shows that leverage has a positive effect on earnings management and company size, the audit committee has a negative influence on earnings management.*

*The conclusion from this study shows that there is not enough evidence that the independent variable of company size and audit committee has a negative effect on earnings management and leverage has enough evidence to have a positive effect on earnings management.*

*Keywords: Profit Management, Company Size, Audit Committee, Leverage.*