# ABSTRACT

Selvi Natalia / 39150294 / 2019 / The Influence of Earnings Management on Firm Values with Good Corporate Governance as Moderation Variable in Property, Real Estate, and Building Construction Companies Listed on the Indonesia Stock Exchange in 2015-2017 / Advisor: Rizka Indri Arfianti, S.E., A.K., M.M., M.Ak.

The trend of a weakening Rupiah exchange rate against the US Dollar in recent weeks has caused most of the company's stock prices to decline. This has become one of the problems in achieving the company's goals, which is increasing the firm value. Earnings management is done by management so that financial statements look good and investors are interested in investing in the company. One way that can be used to reduce earnings management is by good corporate governance practices. Therefore, this study aims to determine the effect of earnings management on firm value by being moderated by the mechanism of good corporate governance in property, real estate and building construction companies listed on the Indonesia Stock Exchange in 2015-2017.

The firm value is reflected in the strength of the traded stock price, the better the company's prospects in the future, the higher the value of its shares. In this study, the grand theory used is the agency theory which explains the different interests and the existence of information asymmetry between the agent and the principal.

The object of this study is a report on property, real estate and building construction companies listed on the Indonesia Stock Exchange in 2015-2017. Sampling was done by purposive sampling method and 87 samples was obtained. The research uses the coefficient similarity test to find out whether data pooling can be done, descriptive statistical analysis, classical assumption test, and overall multiple linear regression analysis.

The results of this study indicate that earnings management has no influence on firm value because the average has a sig value of more than 0.05. Institutional ownership, managerial ownership, and audit committee sufficient evidence can be moderating in weakening the effect of earnings management on firm value with sig values ​​in a sequence of 0.038, 0.0475, and 0.0045 which is smaller than 0.05. At the same time, independent commissioners do not have enough evidence to be a moderator in weakening the effect of earnings management on firm value because it has a sig value of 0.141 > 0.05.

The conclusions in this study indicate that earnings management has no influence on firm value. Institutional ownership, managerial ownership, and audit committees can weaken the effect of earnings management on firm value. However, independent commissioners have insufficient evidence to weaken the effect of earnings management on firm value.