

ABSTRACT

Logically managers do earnings management must have a basic reason because in essence human beings are individuals who tend to avoid risks so they will strive to minimize losses, although with possible efforts later can harm others. Profit Management is a determination of principles, accounting policies, and methods by a management in achieving certain goals. This condition causes earnings management to be considered unacceptable if it is based on certain objectives and is not in accordance with accounting principles.

In this study the independent variables are dividend policy, audit committee activities, managerial ownership, independent board of commissioners, and bonus compensation. The dependent variable in this study is earnings management. This study aims to determine dividend policy, audit committee activities, managerial ownership, independent board of commissioners, and compensation for bonuses to earnings management in State-Owned Enterprises (BUMN) listed on the Indonesia Stock Exchange.

The population in this study were all State-Owned Enterprises (SOEs) listed on the Indonesia Stock Exchange in 2013-2017, obtained 20 companies with observations for five years so that 100 samples were observed. The analysis technique used in this study is panel data regression analysis using the Eviews 9.0 application.

Based on the results of the study, dividend policy, audit committee activities, managerial ownership, independent board of commissioners, and bonus compensation simultaneously affect earnings management. Partially, the independent board of commissioners and bonus compensation have a negative effect on earnings management. Whereas dividend policy, audit committee activities, and managerial ownership have no effect on earnings management.

Keywords: *Earning Management, Dividend Policy, Audit Committee Activities, Managerial Ownership, Independent Board of Commissioners, Bonus Compensation.*