

ABSTRACT

Earnings management is the manager's actions to increase or decrease profits so that investors are interested in the company. This is done for companies to get profits and managers are responsible for financial statements.

This study aims to determine the effect of profitability, leverage, and firm size on earnings management in the Transportation sector companies listed on the Stock Exchange in 2016-2018.

This study uses a quantitative method and the sampling technique in this study is the purposive sampling technique. The sample of this study was 30 samples within 3 years so that the total sample in this study were 90 sample units. The analysis technique of this study is panel data regression analysis using software Eviews 9.

The results of this study revealed that the independent variables have a significant effect on the dependent variable. Partially, profitability, leverage and firm size have a significant effect on earnings management.

Keywords: Earnings Management, Profitability, Leverage and Firm Size