

ABSTRACT

The Influence of Good Corporate Governance and the Size of the Company on Earnings Management and Company Performance on Public Company listed as Participants of Corporate Governance Perception Index (CGPI) in the period of 2004-2008

The purpose of this research was to prove and analyze the influence of Good Corporate Governance and the size of the company on earnings management and on company performance. to measure Good Corporate Governance (GCG). The measure the variable of GCG, index GCG was used. To measure the variable of the size of the company, logarithm of asset was used. Discretionary accrual was used to measure variable of earnings management. Variable of company performance was measured using tobins Q.

This research is an explanatory research meant to explain the influence of the relation among variables through a hypothesis test. This research used a purposive sampling using judgment sampling technique. Samples of this research were 69 data taken from public company listed as participants of Corporate Governance Perception Index (CGPI) in the period of 2004-2008. This research used a path analysis test.

The result showed that Good Corporate Governance and the size of the company simultaneously influenced earnings management and company performance. Partially, the result showed that Good Corporate Governance influenced significant on earnings management. The size of the company influenced significant on earnings management. Earnings management influenced negatively significant on company performance. Earnings management not influenced mediation relationship Good Corporate Governance on company performance. Earnings management influenced mediation relationship size of the company and company performance.

Keywords: Good Corporate Governance, size of the company, earnings management, company performance