

TABLE OF CONTENTS

TITLE PAGE	i
VALIDATION SHEET	ii
THESIS VALIDATION PAGE.....	iii
DECLARATION OF THESIS ORIGINALITY.....	iv
ACKNOWLEDGMENT.....	v
ABSTRACT	vii
TABLE OF CONTENTS.....	viii
LIST OF TABLE	xii
LIST OF FIGURES	xiii
LIST OF APPENDIX	xiv
CHAPTER 1: INTRODUCTION.....	1
1.1.Research Background	1
1.2.Research Problems	5
1.3.Research Objectives.....	6
1.4.Research Contributions.....	6
1.5.Research Systematic	6

CHAPTER 2: LITERATURE REVIEW	8
2.1. Theoretical Review	8
2.1.1. Agency Theory	8
2.1.2. Tax Avoidance	10
2.1.3. Corporate Governance	13
2.1.3.1 Independent Commissioners	15
2.1.3.2 Audit Committee	17
2.1.3.3 Institutional Ownership	18
2.1.3.4 Managerial Ownership	19
2.1.3.5 Audit Quality	21
2.2 Previous Research.....	22
2.3 Hypothesis.....	23
2.3.1 The Effect of Corporate Governance to Tax Avoidance.....	23
2.4 Conceptual Framework.....	26
CHAPTER 3: RESEARCH METHODOLOGY	28
3.1. Research Approach.....	28
3.2. Identification of Variables	28
3.2.1. Dependent Variable.....	28

3.2.2. Independent Variable	29
3.3. Operational Definition and Measurement of Variables.....	29
3.3.1. Tax Avoidance	29
3.3.2. Corporate Governance Characteristics	30
3.3.2.1 Independent Commissioners.....	30
3.3.2.2 Audit Committee.....	31
3.3.2.3 Institutional Ownership.....	31
3.3.2.4 Managerial Ownership.....	32
3.3.2.5 Audit Quality.....	32
3.4 Types and Sources of Data Research.....	33
3.5 Data Collection Method.....	34
3.6 Population, Sample, and Observation Period of Research.....	34
3.7 Data Analysis Techniques.....	35
3.7.1 Descriptive Analysis.....	35
3.7.2 Analysis Data Method.....	35
3.7.3 Validity and Reliability Test.....	39
3.7.4 Hypothesis Testing.....	40
CHAPTER 4: RESULT AND DISCUSSION	43

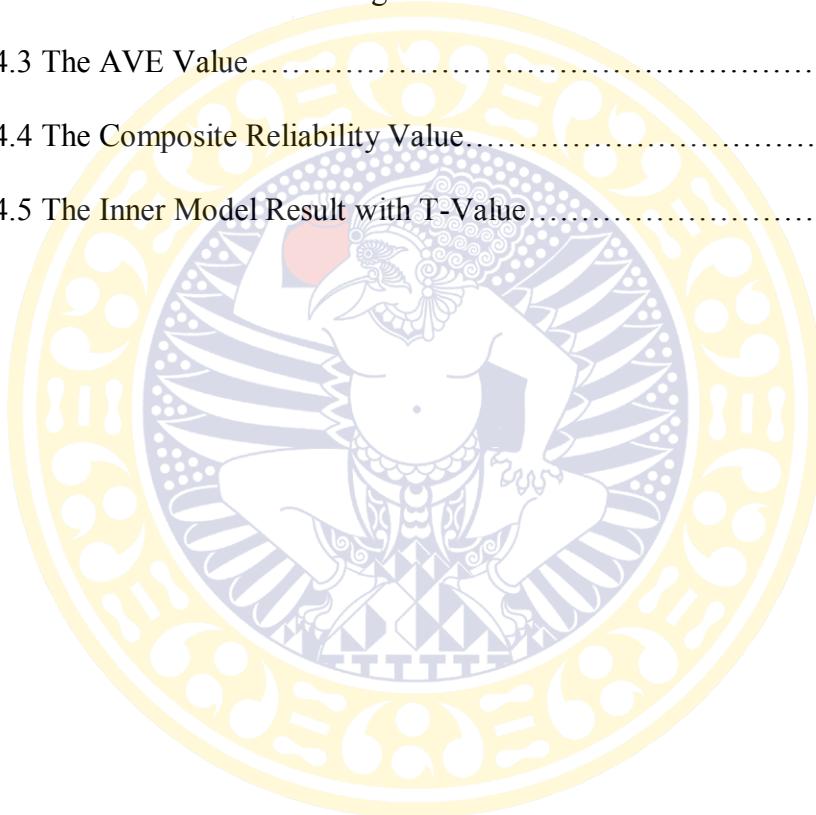
4.1. Research Object Description.....	43
4.2. Research Result Description	44
4.2.1 Corporate Governance	45
4.2.2 Tax Avoidance	47
4.3 Data Analysis.....	47
4.3.1 Outer model (Measuring Model).....	48
4.3.2 Inner Model (Structural Model).....	54
4.4 Discussion.....	57
4.4.1 The Effect of Corporate Governance to Tax Avoidance.....	57
CHAPTER 5: CONCLUSION AND SUGGESTION.....	58
5.1. Conclusion.....	58
5.2. Limitation.....	58
5.3 Suggestion.....	59
REFERENCES	60
APPENDIX	xv

LIST OF TABLES

Table 3.1 PLS Measuring Criteria	41
Table 4.1 Sample Selection Table.....	44
Table 4.2 Descriptive Statistic of Corporate Governance.....	45
Table 4.3 Descriptive Statistic of Corporate Governance (Audit Quality).....	46
Table 4.4 Descriptive Statistic of Corporate Governance (Audit Quality-Mode).....	46
Table 4.5 Descriptive Statistic of Tax Avoidance.....	47
Table 4.6 The Result of Corporate Governance Outer Loading Data Process.....	49
Table 4.7 Average Variance Extracted (AVE).....	51
Table 4.8 Composite Reliability Value.....	52
Table 4.9 Discriminate Validity Value.....	53
Table 4.10 R Square Value.....	55
Table 4.11 Path Coefficients, T-Test, and P Value.....	56

LIST OF FIGURES

Figure 2.1 Conceptual Framework.....	27
Figure 4.1 The First Outer Loading Data Process.....	49
Figure 4.2 The Second Outer Loading Data Process.....	50
Figure 4.3 The AVE Value.....	51
Figure 4.4 The Composite Reliability Value.....	52
Figure 4.5 The Inner Model Result with T-Value.....	55



LIST OF APENDIX

Apendix 1 Summary Of Previous Research.....	xv
Apendix 2 List of Firms Used As Research Sample Year 2011-2013.....	xviii
Apendix 3 Data Processing Result.....	xx
Apendix 4 Descriptive Statisticsxxvii
Apendix 5 Final Result of Outer Loading Algorithm.....	.xxix
Apendix 6 Final Result of PLS Inner Process (Bootsraping).....	.xxxiii