

FACULTY OF ECONOMICS AND BUSSINESS AIRLANGGA UNIVERSITY

STUDY PROGRAME : ACCOUNTING

SIGN No. :

ABSTRACT

BACHELOR THESIS

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THEME : INFLUENTIAL ANALYSIS OF CORPORATE GOVERNANCE MECHANISM TOWARD EARNINGS QUALITY AND COMPANY VALUE IN STATE-OWNED ENTERPRISES AND BANKING COMPANIES LISTED IN IDX

CONTAIN : This research aimed to understand the influence of the application of corporate governance mechanism, that consist of managerial ownership, institutional ownership, independent board of commissioners, and the existence of audit committee toward earnings quality and company value simultaneously and partially. Such research uses 30 companies from state-owned enterprises and banking companies listed in Indonesia Stock Exchange during 2006 until 2010 as the resarch samples. Sampling technique used is purposive sampling . Such research uses linear regression analysis, which is multiple linear regression. The calculation and the hypotheses testing is conducted using software SPSS verios 11.5.

Results gathered from this research show that simultaneously and partially managerial ownership, institutional ownership, composition of board of commissioners, and the existence of audit committee haveno significant influence toward earnings quality which proxied by Earnings Response Coefficient (ERC). The only variable that partially has significant influence toward company value is managerial ownership while the other variables, institutional ownership, composition of board of commissioners, and the existence of audit committee partially have no significant influence toward company value which proxied by Tobin's Q. Simultaneously, all four variables that represent corporate governance mechanism has no significant influence toward company value.

RESEARCH SUBJECT/ OBJECT : ERC,TOBIN's Q

AREA OF RESEARCH : INDONESIA