

TABLE OF CONTENTS

THESIS APPROVAL	ii
APPROVAL OF THESIS EXAMINATION	iii
ORIGINALITY STATEMENT	iv
MOTTO	v
ABSTRACT	vi
ABSTRAK	vii
ACKNOWLEDGEMENT	viii
TABLE OF CONTENTS	x
LIST OF TABLE	xiii
LIST OF FIGURE	xiv
LIST OF APPENDIX	xv
CHAPTER I	1
1.1 Research Background	1
1.2 Problem Formulation	6
1.3 Research Objectives and Contributions	6
1.3.1 Research Objectives	6
1.3.2 Research Contributions	6
1.4. Writing System	7
CHAPTER II	9
2.1. The Underlying Theories	9
2.1.1 Agency Theory	9
2.2 Concepts of Variables	10
2.2.1 Earning Management	10

2.2.2 Audit Opinion	13
2.2.3 Audit Quality.....	14
2.3 Prior Research	15
2.4 Theoretical Frameworks.....	17
2.5 Hypothesis Development	18
2.5.1 Impact of Earnings Management on Modified Audit Opinion	18
2.5.3 Audit Quality as a Moderation Variable	19
CHAPTER III	21
3.1 Operational Variable	21
3.1.1 Dependent Variable.....	21
3.1.2 Independent Variable	21
3.1.3 Moderating Variable	27
3.1.4 Control Variable.....	27
3.2 Population and Sample.....	30
3.3 Types and Sources of Data.....	30
3.4 Data Collection Method	31
3.5 Data Analysis Method.....	31
3.5.1 Descriptive Analysis	31
3.5.2 Statistic Test.....	32
3.5.3 Hypotheses Test	34
CHAPTER IV	36
4.1 Description of Research Object	36
4.2 Data Analysis	36
4.2.1 Descriptive Statistic	37
4.2.2 Multicollinearity Test.....	38

4.2.3 Statistic Test.....	38
4.2.4 Hypotheses Test	40
4.2.5 Multicollinearity Test with Moderating Variable	42
4.2.6 Logistic Test with Moderating Variable	43
4.2.7 Hypotheses Test with Moderating Variable.....	45
4.3 Discussion	47
4.3.1 Impact of Earnings Management on Modified Opinion	47
4.3.2 Impact of Audit Quality in Moderating the Relationship of Earnings Management on Modified Opinion.....	48
CHAPTER V.....	49
5.1 Concluding Remarks.....	49
5.2 Research Limitations and Suggestions	49
REFERENCES.....	51
APPENDIX.....	59

