ABSTRACT

This research aims to study the effect of intellectual capital on indications of financial statement fraud directly and mediated by financial distress. The population of this study is manufacturing companies listed on the Indonesia Stock Exchange (IDX) from 2016 to 2021. Determination of the research sample using purposive sampling resulted in 320 observation data as the final sample during the six-year observation period. Data analysis using multiple regression and path analysis using SPSS version 26. The results showed that intellectual capital has a negative effect on indications of financial statement fraud, intellectual capital can have a negative effect on financial distress, and financial distress financial distress mediates partially.

Keywords*: Financial Statement Fraud, Financial Distress, Intellectual Capital*