

ABSTRACT

This purpose of this research is to analyze effect before and after adopting financial accounting standards based on International Financial Reporting Standards (IFRS) in earnings management. Variables before and after financial accounting standards based on International Financial Reporting Standards (IFRS) are expected to explain the effect given to earnings management.

The data used are secondary data taken from company's websites and also the Indonesia Stock Exchange (IDX) website including financial statement data on manufacturing company that listed on 2009 – 2018 period. Samples were taken by purposive sampling method to collect data and then analyzed consisting of descriptive statistical analysis, classic assumption test, regression analysis, and hypothesis test. Data analysis was performed using Ordinary Least Squares (OLS) regression analysis method and using IBM SPSS 20 software.

Based on the results of research analysis, it can be known if adopting financial accounting standards based on International Financial Reporting Standards (IFRS) is significantly have positive effect to earnings management practices, it can also be interpreted that after adoption financial accounting standards based on International Financial Reporting Standards (IFRS) form earnings management practices are reduced.

Keyword: accounting standards, IFRS adoption, earning management, earning quality