

ABSTRACT

Earnings management is one of the most studied subjects, bringing a lot of interest in accounting literature. Earnings management is the practice of using accounting methods to produce financial statements that represent an positive image of a company's economic activity and financial situation. The aim of this research is to understand and analyze the influences of financial stability and leverage to earnings management, understand and analyze the influences effectiveness of supervision to earnings management and understand and analyze the influences change in auditors to earnings management.

This research uses a comparative explanatory (causal) method and uses the correlation of cause and effect of two or more variables. The population sample of this research are the manufacturing companies listed in the Indonesian Stock Exchange (IDX) for the period 2021 - 2022. This research is using the Fraud Triangle Theory by Cressey in 1953 to analyze the factors that can trigger fraud. The method used to analyze the data collected for this research is quantitative analyzing techniques by the SPSS program.

The conclusion of this research is that Pressure related to financial targets are positively related to earnings management and leverage are not positively related to earnings management, Opportunities related to supervisory effectiveness are not negatively related to earnings management and Rationalization related to changing auditors has no effect on earnings management.

Kata kunci : financial stability, leverage, effectiveness of supervision, change in auditors, earnings management.