

**THE EFFECT OF EARNINGS MANAGEMENT AND INFORMATION
ASYMMETRY TOWARDS CORPORATE VALUE IN MERGER AND
ACQUISITION COMPANY ON INDONESIA STOCK EXCHANGE**

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Abstract

This study aims to examine the effect of earnings management and information asymmetry towards corporate value in merger and acquisition companies. Reseachers use control variables such as size, ROE, and leverage as well. The complexity of the company's business comes from the corporate diversification will increase the information asymmetry between managers and investors and affect the earnings management by the companies.

The sample in this study is the merger and acquisition company listed on Indonesia Stock Exchange and the study was obtained by 23 companies. Selection of the sample using purposive sampling method. Testing hypotheses using multiple regression calculations.

The test results show that earnings management does not significantly influence corporate value but information asymmetry negatively significantly influence corporate value while size has a significant positive effect on corporate value. ROE and leverage do not significantly affect corporate value as control variables. Based on the results, it is suggested for further research for earnings variables using measurement of combination between accrual earnings management and real earnings management or revenue discretionary.

Keywords : *earnings management, information asymmetry, size, ROE, leverage, and corporate value.*