

**THE EFFECT OF REAL EARNINGS MANAGEMENT AND GOOD  
CORPORATE  
GOVERNANCE TO COST OF CAPITAL**

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**ABSTRACT**

*This study aims to determine the effect of Real Earnings Management and Good Corporate Governance partially or simultaneously to Cost of Capital in manufacture companies listed on the Indonesia Stock Exchange and registered with the Indonesian Capital Market Directory (ICMD) 2010-2013. The method used in this study is causal research methods and from 53 manufacture companies are used as the samples of this study with the specified criterias and total observation amounted to 143 observations. The statistical method being used is multiple linear regression with SPSS software. Based on the results of this research can be concluded that partially Real Earnings Management through abnormal cash flow and abnormal discretionary expense has positively influenced to Cost of Capital, and abnormal production cost does not affect Cost of Capital. Meanwhile Good Corporate Governance with Index CG stated by IICD has positively influenced to Cost of Capital.*

**Keywords:** *Real Earnings Management, Abnormal Cash Flow, Abnormal Discretionary Expense, Abnormal Production Cost, Index CG, Cost of Capital.*

**PENGARUH *REAL EARNINGS MANAGEMENT* DAN *GOOD CORPORATE GOVERNANCE* TERHADAP *COST OF CAPITAL***

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**ABSTRAK**

Penelitian ini mempunyai tujuan untuk mengetahui pengaruh *Real Earnings Management* dan *Good Corporate Governance* secara parsial maupun secara simultan terhadap *Cost of Capital* pada perusahaan manufaktur yang terdaftar di Bursa Efek Indonesia dan terdaftar dalam *Indonesia Capital Market Directory* (ICMD) tahun 2010-2013. Metode yang digunakan dalam penelitian ini adalah metode penelitian kausal. Pemilihan sampel dilakukan dengan metode *purposive sampling* dan didapat 53 perusahaan manufaktur yang menjadi sampel dengan kriteria tertentu dengan total observasi berjumlah 143 observasi. Metode statistik yang digunakan adalah regresi linear berganda dengan bantuan program SPSS. Berdasarkan hasil penelitian ini dapat disimpulkan bahwa secara parsial *Real Earnings Management* melalui *abnormal cash flow*, dan *abnormal discretionary expense* berpengaruh positif terhadap *Cost of Capital*, dan *abnormal production cost* tidak berpengaruh terhadap *Cost of Capital*, sedangkan *Good Corporate Governance* dimana data yang digunakan adalah Indeks CG yang dikeluarkan oleh IICD berpengaruh negatif terhadap *Cost of Capital*.

**Kata Kunci:** *Real Earnings Management, Abnormal Cash Flow, Abnormal Discretionary Expense, Abnormal Production Cost, Index CG, Cost of Capital.*