

**EFFECT DEFFERED TAX EXPENSE AND OWNERSHIP STRUCTURE
TO EARNINGS MANAGEMENT**

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Abstract

This study aims to examine the influence of deferred tax expense and ownership structure (foreign, government, institutional, managerial and family) towards earnings management in manufacturing companies. Researcher uses variable control such as size, leverage, ROE and growth 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.

This study utilizes data from 64 manufacturing companies listed at the Indonesian Stock Exchange in 2010 until 2012. The research data is secondary data obtained from the Indonesian Stock Exchange (www.idx.co.id) and ICM D 2010-2012. Hypothesis testing studies used analytical techniques with application tool of SPSS (Statistical Product and Service Solutions). Researcher used Real Activity Manipulation by Sugata Roychowdhury (2006) as measurement in detecting earnings management

The result of this study indicates foreign ownership has positive influence in earnings management. Meanwhile, the study didn't find significant effect of deferred tax expense, government ownership, institutional ownership, managerial ownership and family ownership towards earnings management. Besides that, the variable control indicates that size and leverage have negative influence in earnings management respectively, while ROE has positive influence in earnings management and growth didn't find significant influence towards earnings management.

Keywords : deferred tax expense, ownership structure, foreign structure, government structure, institutional structure, managerial structure, family structure, size, leverage, ROE, growth, earnings management