**PROCEEDING ICONIES**
**FACULTY OF ECONOMICS**
**UIN MAULANA MALIK IBRAHIM MALANG**
**P-ISSN: 2476-9851 /E-ISSN: 2541-3333**

# EARNING MANAGEMENT DETERMINANT IN INDONESIAN MANUFACTURING COMPANY

**Listia[1], Kholilah[2], Dian Syariati[3]**
[1,2]Faculty of Economics, Univesritas Islam Negeri Maulana Malik Ibrahim Malang
Gajayana Street, No.50, Malang City, East Java, 65144, Indonesia
[3]Faculty of Economics and Management, Universiti Kebangsaan Malaysia
43600 UKM, Bangi Selangor, Malaysia
listiammj@gmail.com

**ABSTRACT**
This study aims to provide empirical evidence regarding the effect of profitability, free cash flow, leverage, and company size on earning management in manufacturing companies. A discretionary revenue model measures earning management. This type of research is quantitative research. The population of this study is 181 manufacturing companies listed on the IDX in 2018-2021. The sampling technique uses a purposive sampling technique so that 72 samples are obtained. This study used multiple linear regression analysis to see the effect of profitability, free cash flow, leverage, and company size on earning management using SPSS 25 software. The results of hypothesis testing using the T-test prove that profitability, leverage, and company size have a positive effect on earning management. The free cash flow has a negative effect.

**Keywords**; Company Size; Earning Management; Free Cash Flow; Leverage; Profitability

## INTRODUCTION

Financial statements are one of the most important pieces of information for entities. The information aims to determine the condition of the statements of financial position, financial performance, and decision-making for managers (Werner & Murhadi, 2013). The measurement of the company's financial performance used for an appraisal is profit. Profit is synonymous with the financial information necessary for investors, creditors, and company owners. This information can estimate the potential income to measure investment and credit risk (Utari Et al., 2014). According to Selahudin et al. (2014), the higher the profit will positively affect the company. However, if the company experiences a decrease in profit, this decrease can affect the performance of the financial statements. Poor report performance causes the company to take earnings management or earning management actions (Rahmawati, 2012). According to (Dewi & Priyadi, 2016), a manager who makes decisions on accounting policies for the sake of planning that goes well by taking actions to increase profits or reduce the risk of losses that will be reported is also called a earning management action.

The increase in earning management occurs because management, as the party managing the company, gets more information about the company's problems and developments that occur in the future than the company owner, so this is one of the occurrences of earning management. The discrepancy in information between agents and principals causes decision-making errors for external parties (Rahma, 2019). The occurrence of earning management has several factors, namely profitability. Profitability is one of the important information in the enterprise. This information relates to the company's ability to make a profit (Wiyadi et al., 2016). The profit level listed in the financial statements is the company's benchmark in assessing the company's financial performance (Agustia & Suryani, 2018). Financial performance positively impacts the company if it has good financial statements.

On the other hand, if negative, it will also be detrimental to the company's name (Darmawan, 2020). This factor is one of the reasons for the actions of earning management in the enterprise. The previous research on the effect of profitability on earning management, according to Jelanti (2020), shows that earning management does not positively impact profitability. On the contrary, Febria's research (2020), on the other hand, reveals that earning management affects profitability. The second factor that affects earning management is free cash flow, which is the remaining cash used for the company's operational needs after investing in fixed assets and working capital in the entity (Righam, 2012). High free cash flow in companies without effective supervision and the lack of managers' ability to use cash optimally can affect improving earning management procedures. The higher the value of free cash flow and effective management will be better for the company, the more the available cash will be used to pay dividends and debts (Agustine, 2013). As for previous research, free cash flow on earning management, according to Kodriyah and Fitri (2017), conducted by manufacturing companies from 2010-2014, obtained free cash flow results with a positive effect on earning management. On the contrary, Satiman (2019) showed that free cash flow has a negative effect to earning management.

The next factor affects the practice of earning management, i.e., leverage. This leverage is used to assess how much of the company's funding is cost by debt. The higher the leverage in the company results in higher corporate debt than assets (Widyaningdyah, 2001). The relationship between earning management practices and leverage is in debt policy. High leverage makes external parties assess that the company will not be able to return or finance obligations by paying debts at maturity (Gunawan, 2015). The company tries to avoid possible violations of agreements with creditors. Managers are motivated to carry out earning management practices to get a good performance assessment from creditors. The previous research by Febria (2020) showed that leverage did not positively affect earning management. On the contrary, the research (Jelanti, 2020) positively affected earning management in manufacturing companies from 2012 to 2016.

The last factor that affects earning management is the size of the company. The size of large and small companies can be determined or measured in various ways, namely by total assets, income size, capital, and stock market value (Asih, 2014). The size of the company will provide measurements related to the picture of the company entity. The larger the size of the company will affect the profit obtained by the company (Reviana & Sudantoko, 2012). As for Sylvia's (2019) research, the company's size significantly influences earning management. On the contrary, Emerensia's (2020) research shows that the company's size does not positively affect earning management.

. One way to measure earning management actions in earning management is the conditional revenue model (Stubben, 2010), which relies on changes in receivables and changes in revenue to detect earning management. According to Nur'aini (2012), shortening earning management using the conventional revenue model can provide more accurate estimates. This research is a development of Jelani's research (2020). This research is different from the previous research. The previous research examined a certain subject area in manufacturing companies, while this research was entirely a manufacturing company. This study used a new earning management detection measurement, namely the conditional revenue model (Stubben, 2010), whereas previous research used discretionary accrual measurements (Dechow et al., 1995). In addition, that the previous research used ROE as a measurement of profitability. In contrast, this study used ROA, arguing that ROA could assess the company's performance in obtaining profits from used assets (Mardiyanto, 2013). They have different results based on the background and results of previous research. Researchers are motivated to test whether there is an effect of profitability, free cash flow and leverage on earning management in manufacturing companies 2018-2021.

## LITERATURE REVIEW

Financial statements are useful for the company and operational needs, with this financial report can help users to determine actions or decisions related to finances and the condition of the company (Munawir, 2018). A financial report is an information that presents the financial condition of a company or financial entity that is explained succinctly and as clearly as possible presented to the reader (Mutiah, 2019). Financial statements are a picture of financial information used for the company and other parties' needs to make economic or financial decisions. Usually, these financial statements are used for the company's operational requirements or the needs of various parties such as investors, creditors, and other parties. The financial statements present the income statement, balance sheet, retained earnings, and cash flows.

Profit or profit in operating activities in the corporate entity is one of the information that is important to predict the viability of the next few years. The company's success can be judged by the achievement carried out with the ability to compete high and maintain the success of the company. Large and small companies certainly expect high profits under the manager's target. High profits are the main benchmark for companies to get a good assessment and something that positively impacts the company. Profitability in a company is the company's ability to make a profit (Munawir, 2014: 33).

Cashmere (2016:196) profitability is a ratio used to determine the entity's picture of profit or profit over a given year. In addition to profitability is information about how high management effectiveness is related to operational activities in the company. The effectiveness of a company can be judged by the company's achievement or ability to succeed in the profits generated related to sales and investments in the company.

Free cash flow is a free cash flow usually used by companies by investing in fixed assets and working capital to maintain current operating activities. According to Brigham (2012), free cash flow is distributed to company owners and creditors from cash operations, capital expenditures, and changes in working capital or net working capital. High free cash flow indicates that the company is good because it has cash available for debt repayment, dividend distribution, and other company needs. (Dewi and Priyadi, 2006).

Leverage is indispensable for a financial manager and is necessary information related to profit planning in the company. Leverage is also defined as the use of funds to meet the company's needs to get greater profits. The purchase of the goods is expected to have a value that will be carried out in the future so that the costs incurred will get high profits compared to the loans made by the company for these assets. Riyanto (2016:375) states that leverage is using an asset or fund. The company uses the money to cover costs or fixed costs to increase profits, with the aim of shareholders obtaining large profits from fixed costs using assets or sources of funds.

The size of the company is a factor in obtaining profit. The smaller or larger the size of the company will also affect the income and profit company. Hartono (2015: 254) states that the size of a company is the scale of a company's large and small size measured through nominal, wealth, and total sales of one period of sales and utilization of the company. Large and small company sizes certainly differ in companies' operating costs. Large and small operating a company is one of the determinants of investors to make decisions. It can be concluded that the size of the company can be valued or measured through the number of assets owned. The larger the size of the company will affect profits because companies with large assets can easily overcome company constraints.

A stable financial lap or branch can prove the company's ability to be relatively good to attract investors or those interested in a company. Earning management actions are something that improves a company's performance and performance. Earning management is related to financial accounting because there are external relationships or interests outside the company (Sulistiawan et al., 2011: 4). Setyorini and Ishak (2012) stated that earning management is an action by company managers to regulate the amount of profit in the financial statements and reported to the superior. One of the manager's actions is to raise and lower or flatten the profit earned in a certain period. Earning management is an action carried out by financial managers to generate high profits and manipulate data related to company profits listed on financial statements to attract investors to invest in the company concerned, which can provide benefits for the company or the company's interests. Profitability, Free Cash Flow (FCF), leverage, and company size are independent variables, while earning management is a dependent variable. The four independent variables are set to determine the effect of earning management.

**Hypothesis**

Profitability is generally an indicator of a company's assessment to improve the company's performance. If the profitability generated by the company is not as desired by the company or the income generated is small in the current year, it can cause managers to carry out earning management practices with a certain purpose to make the company even better and can get investors to invest in so that the company benefits both parties (Dwiarti and Hasibuan, 2018). The results of previous research (Ratnaningsih, 2014; Hasty & Herawaty,2017; and Febria,2020) show that profitability positively influences earning management. In contrast, research (Ningsih, 2019) and (Jelanti, 2020) showed that profitability did not significantly affect earning management. Based on these details, the following hypothesis can be obtained.

H1: Profitability has a positive effect on earning management

The cash flow available to shareholders must be distributed appropriately. When managers do not use cash correctly and appropriately, companies with high cash flows may appear. It can impact the actions of financial managers to carry out earning management actions so that the results displayed on profit reporting increase and cover inefficient cash flows (Agustine, 2013). The results of previous research (Kodriyah & Fitri, 2017) and (Puspitasari et al., 2019) showed that the free cash flow performance positively influenced Earning management. Free cash flow does not significantly influence earning management, namely research by Satiman (2019) and Tambunan and Siagian (2021). Based on these details, the following hypothesis can be obtained.

H2: Free Cash Flow has a positive effect on earning management

Leverage is one of the forms of improving the company's earning management. It is necessary to supervise the company's profits where financial leverage is also used as an indicator in increasing profits to avoid companies being threatened with default. Weak supervision of financial leverage will have an impact on the company's receivables that are not paid so that it will influence managers to carry out earning management actions and provide an overview of financial actors to make decisions and establish strategies for investing in the company (Belkaoui et al., 2007)

The results of previous studies conducted by (Hasty & Herawaty, 2017), (Puspitasari et al., 2019), and (Jelanti, 2020) show that leverage has a positive effect on earning management. In contrast, research (Ningsih, 2019) and (Febria, 2020) shows that leverage negatively affects earning management. Based on these details, the following hypothesis can be obtained.

H3: Leverage has a positive effect on earning management

The company's size is measured through the level of total assets owned by the company. The company's size will affect the ease of entering the capital market. In this process, the company is increasingly interested in being able to increase the opportunity to compete in the market. The more successful the company will attract investors to invest (Risma & Regi, 2017). The results of previous research conducted by (Nuraina, 2012), (Mulya, 2012) and (Sylvia, 2019) showed that the size of the company had a positive effect on earning management. On the contrary, the research (Emerensia, 2020) showed that the company's size negatively affected earning management. Based on these details, the following hypothesis can be obtained.

H4: Company size positively affects earning management

## METHODS

This research is a quantitative study using seconder data from the financial statements of manufacturing companies from IDX. This data is limited to manufacturing companies listed on the Indonesia stock exchange from 2018-2021. The study sample was 288. There are two general outlines of variables in quantifiable research: bound variables (dependent) and free variables (independent). The dependent variable in this study is earning management. The earning management formula uses the measurement of conditional revenue to detect earning management

$$\Delta ARit = \alpha + \beta 1\ \Delta Rit + \beta 2\ \Delta Rit\times SIZEit + \beta 3\ \Delta Rit\times AGE\ it + \beta 4\ \Delta Rit\times AGE\_SQ\ it + \beta 5\ \Delta Rit\times GRR\_Pit + \beta 6\ \Delta Rit\times GRR\_Nit + \beta 7\ \Delta Rit\times GRMit + \beta 8\ \Delta Rit\times GRM\_SQit + \varepsilon\ i$$

Information:

1. $\Delta R = \dfrac{\text{receivables of year t – change in receivables of years t-1}}{\text{Year receivables}}$

2. Changes in revenue
   Changes in income (∆R) are obtained from:
   $$\frac{(\text{Revenue year t - income year t-1})}{\text{Average total assets}}$$
3. Size is the size of a company is determined by taking a natural logarithm, or logarithm, of its total assets.
4. Age is the age of the company. The age of the company is automatically reflected in this age metric. The natural logarithm of the enterprise's age is squared, which is used to calculate the squared age of the enterprise.
5. Growth Rate in Revenue (GRR)
   $$\frac{\text{Revenue year t – revenue year t-1}}{\text{Revenue year t-1 GRR consists of}}$$
6. Gross Margin (GRM)
   $$\frac{\text{Revenue – Cost of goods sold}}{\text{Income}}$$

The independent variables in this study are Profitability, Free Cash Flow, Leverage, and Company Size.

**1. Profitability**

Profitability is the company's ability to get profit as evidenced by high profit, so the company's performance is relatively good. If, on the contrary, the profit decreases, the company's performance also decreases (Rahayu, 2008). To measure the profitability ratio, it uses ROA (Cashmere, 2016).

$$\text{ROA} = \frac{\text{Net Profit}}{\text{Total Assets}} \text{x } 100\ \%$$

2. **Free Cash Flow**

Righam (2012) states that free cash flow is the remaining cash given to company owners and creditors from the entity's operating cash flow, capital expenditures, and changes in working capital or net working capital.

$$\text{FCF} = \frac{\text{AKO} - \text{PM} - \text{Mkb}}{\text{Total Assets}}$$

Information:
FCF = Free Cash Flow
AKO = Operating Cash Flow in year t
PM = Capital Expenditures in year t

**3. Leverage**

Riyanto (2016:375) states that leverage is using an asset or fund. The company uses the money to cover costs or fixed costs to increase profits, with the aim of shareholders obtaining large profits from fixed costs using assets or sources of funds. Calculating leverage using Debt to Equity Ratio with formula

$$\text{DER} = \frac{\text{Total Debt}}{\text{Equity}} \text{x } 100\ \%$$

The size of large and small companies can be determined or measured in various ways, namely by total assets, income, and capital. These three things determine the size of the Basyaib company (2007: 122). The formula calculates the company's size (Ayu & Gerianti, 2018) is natural logarthme of total asset.

The sampling technique in this study is to use purposive sampling techniques, namely, sampling techniques based on the assessment of researchers who are in the category worthy of research. One indicator is to show the completeness of company data, especially the company's financial statements. More clearly, the sample criteria in this study are: manufacturing companies listed on the IDX, manufacturing companies that publish financial statements under successive research periods with full reports, namely in 2018-2021, and manufacturing companies that did not experience losses on the 2018-2021 earnings report. Based on these criteria, in detail is described in the following Table 1.

**Table 1. Sampel Selection**

| No. | Research Criteria | Sum |
|---|---|---|
| 1 | Manufacturing companies listed on the Indonesia Stock Exchange | 181 |
| 2 | Manufacturing companies that do not publish financial statements in a row 2018-2020 | (33) |
| 3 | Manufacturing companies that publish financial statements under successive research periods with complete reports, namely in 2018-2021 | 148 |
| 4 | Manufacturing companies that have a profit and loss statement for 2018-2021 | (76) |
| 5 | Manufacturing companies that did not experience losses on the 2018-2021 earnings report | 72 |
| | Period of research | 4 |
| | Number of samples used | 288 |

**Source: Author Analysis (2022)**

## RESULTS

This study used a purposive sampling technique as a data retrieval technique. According to the sample criteria, the samples obtained were 288 manufacturing companies listed on the IDX for the 2018-2021 period. The analysis unit (n) research listed in the table above totaled 288. This study uses an independent variable in the form of profitability by measuring the number of disclosures based on the Roa indicator. The data is taken from the ROA index in the company's Annual report. The Profitability variable from the results of the description statistical test has a minimum value of 0.00 and a maximum value of 92.00. Profitability with its average in manufacturing enterprises is 13.7101with a standard deviation of 8.80358. The Free Cash Flow variable from the results of the description statistical test has a minimum value of 14.00 and a maximum value of 31.00. The average Free Cash Flow in manufacturing companies is 22,6272, with a standard deviation of 5.40108. The Leverage variable from the results of the description statistical test has a minimum value of 6.73 and a maximum value of 544.26. The Average Leverage at manufacturing companies is 85.3248 with a standard deviation of 78.5725. The company size variable from the results of the description statistical test has a minimum value of 2383446864.00, and the maximum value is 1662.95. The average company size in a manufacturing company is 8304680.6455 with a standard deviation of 140690420.66703

The normality test used to ensure the suitability of the research data. The Kolmogorof Smirnpov method obtained a significant result of 0.852 which made the research carried out a conclusion that the normality test was distributed normally. The multicollinearity tests carried out to detect the existence of relationships that occur linearly between independent variables in regression modeling. The results of the multicollinearity test show that the VIF values in all independent variables are smaller than ten and the Tolerance values in all independent variables are greater than 0.10. The conclusion is that the research data do not have multicollinearity between independent variables. The autocorrelation test was carried out to assess whether there was a correlation between the sample according to the period to linear regression modeling using the Durbin-Watson test. Following the resulting autocorrelation test, the value of DW = 1.969 was obtained, so a comparison was obtained with the results shown in the table of the significance of 5% (0.05) against 288 total samples, and the independent variable amounted to 4 (K = 4) = 4. 288 then obtained dU from table r = 1.8094. DW values are more than dU values and less (4-dU) = 4 – 1.8094= 2.1906. So, the conclusion is that the research carried out no autocorrelation. The heteroscedasticity test aimed to determine the difference in variance to residual from regression modeling to some observations using the Glejser test. The results of heteroskedasticity testing using Glejser testing conclude no problem with heteroscedasticity.

The hipothesis testing using mulyiple regression analysis is carried out in order to obtain the results of the influence of profitability, free cash flow, leverage, and company size on earning management in manufacturing companies. The result showed in table 3.

**Table 2. Descriptive Variables**

| | N | Minimum | Maximum | Mean | Std. Deviation |
|---|---|---|---|---|---|
| Profitability | 288 | .00 | 92.00 | 8.0209 | 8.80358 |
| Free Cash Flow | 288 | 14.00 | 31.00 | 22.6272 | 5.40108 |
| Leverage | 288 | 6.73 | 544.26 | 85.3248 | 78.57257 |
| Company size | 288 | -2.383 | 1.662.95 | -830468 | 14.069.042 |
| Valid N (listwise) | 288 | | | | |

**Source: Author Analysis (2022)**

**Table 3. T Test**

| **Type** | **Unstandardized Coefficients** | | **Standardized Coefficients** | **T** | **Sig.** |
|---|---|---|---|---|---|
| | B | Std. Error | Beta | | |
| (Constant) | .360 | .329 | | 1.096 | .274 |
| Profitability | .103 | .008 | .026 | 2.425 | .002 |
| Free Cash Flow | -.014 | .013 | -.069 | -3.127 | .013 |
| LaverageLaverage | .040 | .001 | .011 | 2.190 | .004 |
| Company size | .026 | .001 | .016 | 3.270 | .018 |

**Source: Author Analysis (2022)**

The regression equation above shows the relationship between independent variables and dependent variables. From these equations can be drawn the following conclusions: The constant regression value is 0.360, indicating the influence of profitability, free cash flow, and leverage with stable conditions or X = 0, manufacturing earning management on the IDX for the 2018 - 2021 period is 0.360. Profitability, the regression coefficient is 0.103, affects earning management. While profitability is getting better, assuming other variables are constant, then it can increase manufacturing earning management on the IDX for the 2018 - 2021 period by 0.103. Free cash flow, the regression coefficient of -0.014, affects earning management. If the free cash flow is getting better, assuming other variables are constant, then it can improve manufacturing earning management on the IDX for the 2018 - 2021 period of -0.014. Leverage, its regression coefficient of 0.040 affects earning management. If leverage is getting better, assuming other variables are constant, then it can improve manufacturing earning management on the IDX for the 2018 - 2021 period of 0.040. Company Size, its regression coefficient of 0.026, affects Y earning management. The size of the company is getting better, assuming other variables are constant, then it can improve manufacturing earning management on the IDX for the 2018 - 2021 period of 0.026.

The adjusted value of R Square or (Adjusted R2) = 0.628 means Profitability, Free Cash Flow, leverage, and the company's size analyzed the change in the Financial Performance variable by 62.8%. In comparison, other factors outside the variable analyzed the remaining 37.2%. The purpose of this test is to find out how much independent variables influence dependent variables partially. Drawing conclusions from the results of this test is carried out based on the p-value. If the p-value < 0.05, the hypothesis is accepted and vice versa. The following are the test results obtained, namely:

## DISCUSSION

### The Effect of Profitability on Earning Management

Profitability has a significant positive influence on earning management because of the higher the company's profit, the better the financial statements' performance. However, if the profit decreases, it results in a decrease in the company's performance appraisal. The company has a good profitability performance that will attract investors to invest. According to Cashmere (2016: 196), the profitability s ratio used to determine the company's ability to provide profit or profit over a certain period and give an idea of the level of effecting of management operations activities. Profit generated during the year as a benchmark or indicator of earning management. Profitability in a company is more directed at earning management that has increased to increase stock prices and get a good performance assessment. In addition, companies have high profitability are more likely to reduce profits to avoid selling prices or regulations pressed by the government, which results in profitability experiencing a decline.

In line with the research (Febria, 2020) conducted on mining companies listed on the IDX, totaling 23 companies in 2016-2018. The results of the study stated that profitability has a positive effect on earning management. High profits in the company do not guarantee that the company does not carry out earning management related to agency theory, where there is a difference in interests to cause conflicts between company owners and agents. The company increases high profits has the aim of getting a good assessment.

**The Effect of Free Cash Flow on Earning Management**

According to Brigham (2012), free cash flow is distributed to company owners and creditors from cash operations, capital expenditures, and changes in working capital or net working capital. High free cash flow is good for the company if the company can manage the available cash well. Free cash flow companies tend not to do earning management because without these calculations, and companies can increase stock prices (Mardiyanto, 2008). This study's results align with research (Agustia, 2013) which states that free cash flow is negative for earning management. High free cash flow tends not to make earning management because high cash flow shows that the company can meet debt obligations to creditors and dividend distribution to investors.

**The Influence of Leverage on Earning Management**

Leverage has a considerable influence on results management. According to Riyanto (2016:375), leverage is using assets or funds. The company uses the money to cover fixed costs or expenses. Assets and sources of funds are used to experience an increase in the profits of its shareholders and obtain their profits at greater than fixed costs. This study's results align with research (Jelanti, 2020) which states that leverage positively affects earning management due to the company's interest in obtaining capital and creditor trust in the company. The leverage ratio will affect the decisions of company owners and creditors.

**The Effect of The Size Of The Enterprise on Earning Management**

The size of the company has a significant influence on earning management. Hartono (2015: 254) states that the size of a company is the scale of a company's large and small size measured through nominal wealth and total sales of one period of sales and utilization of the company. The company's size positively affects earning management because large companies have a wider range of holders. Hence, various company policies have a greater impact on the public interest than the size of small companies. Large companies have a greater opportunity to carry out earning management because large size companies must be able to meet the expectations of investors or shareholders. The results of this study were conducted by (Nuraina, 2012; Mulya, 2012; and Sylvia, 2019) showing that the size of the company has a positive effect on earning management.

## CONCLUSION

Based on the results of research on the effect of profitability, free cash flow, leverage, and company size on earning management in manufacturing companies on the IDX in 2018-2021, the following conclusions were obtained: profitability has a significant positive effect on earning management. The higher the profit in the company, shows that profitability in the company has a good performance report to encourage a manajer to do earning management. Free cash flow has a negative effect on earning management. The higher the free cash flow practice for earning management in smaller companies. Leverage is shown to have a positive influence on earning management. High leverage indicates that the debt to the company is high. Companies' size is proven to have a positive influence on earning management. Large companies have a greater opportunity to carry out earning management because large-sized companies must be able to meet expectations from investors or shareholders.

## REFERENCES


Hell, P. 2014. Factors Affecting Earning management Practices (Case Study: Manufacturing Company listed on IDX). Journal of Persevere.

Brigham, Houston.2012.Fundamentals of Financial Management. Jakarta: Salemba Empat.

Christiani, L., and Herawaty, V. (2019). The Effect Of Managerial Ownership, Audit Committee, Leverage, Profitability, And Company Size On Company Value With Earning management As A Moderation Variable. Proceedings of the National Seminar on Scholars, 2.

Dwiarti, R., and Hasibuan, A. N. (2018). The Effect Of Profitability, Financial Risk And Company Growth On Earning management In Cosmetics And Household Purposes Companies. Journal of Management And Finance, 8(1), 21–33.

Erianti, D. (2019). The Effect of Free Cash Flow on The Company's Profit Growth. Benefit Journal of Management And Business, 4(1), 84–93.

Hartono, Jogiyanto. (2015). Portfolio Theory and Investment Analysis Fifth Edition, Yogyakarta: BPFE.

Jelanti, D. (2020). Effect of Profitability Ratio, Free Cash Flow, And Leverage On Earning management. Associate Journal: Science, Technology, And Humanities, 3(2), 289–303.

Kodriyah., and Fitri. (2017). The Effect Of Free Cash Flow And Leverage On Earning management In Manufacturing Companies On The IDX. Journal of Accounting, 3(2), 64–76.

Kristiana, U. E., and Rita, M. R. (2021). Leverage, Company Size, And Company Life Cycle Against Earning management. AFRE Accounting And Financial Review, 4(1), 54–64.

Maruli, S., Afrizal, H., and Herawaty, N. (2018). Comparison Of The Effect Of Free Cash Flow, Profitability And Leverage On Earning management In Property, Food And Beverage Companies Listed In 2021), 1835-1654.

Murhadi, Werner R. Analysis of Projected Financial Statements and Stock Valuations. Jakarta: Salemba Empat, 2013.

Puspitasari, E. P., Diana, N., and Mawardi, M. C. (2019). The Influence Of Good Corporate Governance, Free Cash Flow And Leverage Factors On Earning management In Coal Companies. E-Jra, 08(03), 87–100.

Rahayu, M. B. (2020). The Effect of Profitability On Financial Structure. Journal of Management and Business Studies, 5(2), 75–79.

Riyanto, Bambang. Basics of Enterprise Spending Fourth Edition. Yogyakarta: BPFE, 2016.

Satiman. (2019). The Effect of Free Cash Flow, Good Corporate Governance, Audit Quality, And Leverage On Earning management. Scientific Journal Of Reflection Economic, Accounting, Management And Business, 2(3), 311–320.

Tambunan, T., and Siagian, H. L. (2021). Analysis of the Effect Of Profitability, Free Cash Flow And Leverage On Earning management In Moderation Of Company Size In Automotive Companies Listed In Bei In 2017-2020. AEC Scientific Journal (Management, Economics, and Accounting). 5, 2 (Aug).

Stubben, Sthepen R. Discretionary Revenues A Measure Of Earnings Management. The University Of North Carolina: Chapel Hill, 2009.

Wiyadi Et. Al "Positive Perspectives on Earning management Practices: An Empirical Study on Manufacturing Companies Going Public On The Indonesia Stock Exchange." Accounting and Finance Research Indonesia, 2017.

Utari Et Al. Financial Management Revised Edition. Jakarta: Mitra Wacana Media, 2014.

# Accounting, Auditing, Accounting Information System