

**EFFECT OF DEFERRED TAX LIABILITY, FREE CASH FLOW,
COMPANY SIZE AND INSTITUTIONAL OWNERSHIP
ON EARNINGS MANAGEMENT
(A Case Study on Manufacturing Companies Listed on the Indonesia Stock
Exchange for the period of 2015 - 2017)**

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ABSTRACT

The objective of the study was to prove empirically the effect of the deferred tax liabilities, the free cash flow, the company size, and the institutional ownership on the earnings management practices. The variables in this study included the dependent variable namely earnings management, and the independent variable consisting of deferred tax liabilities, free cash flow, company size, and institutional ownership. The sample in this study was 41 manufacturing companies listed on the Indonesia Stock Exchange in 2015-2017 determined by using the purposive *sampling* technique. The data analysis method used the multiple linear regression analysis, with the analysis tool using SPSS version 20. The results of this study indicated that the deferred tax liabilities, the free cash flow, the company size, and the institutional ownership affected the earnings management.

**Keywords: Deferred Tax Liabilities, Free Cash Flow, Company Size,
Institutional Ownership**