

## Table of Contents

TITLE PAGE .....	i
APPROVAL SHEET .....	ii
RATIFICATION SHEET .....	iii
STATEMENT OF WORK'S ORIGINALITY .....	iv
ACKNOWLEDGEMENTS .....	v
LIST OF TABLES .....	viii
LIST OF FIGURES .....	ix
ABSTRACT .....	x
INTISARI .....	xi
CHAPTER I INTRODUCTION .....	1
1.1 Background .....	1
1.2 Problem statements .....	8
1.3 Purpose of research .....	8
1.4 Contribution of research.....	8
1.5 Outline of the research .....	9
CHAPTER II LITERATURE REVIEW .....	10
2.1 Agency theory .....	10
2.2 Signaling Theory .....	11
2.3 Earnings management .....	13
2.4 Discretionary accruals.....	16
2.5 Stock Return.....	17
2.6 Ownership structure .....	17
2.7 Hypotheses Development .....	18
CHAPTER III RESEARCH METHOD .....	23
3.1 Research Data .....	23
3.2. Research Variable .....	24
3.3. Research model .....	28
3.4. Data Analysis Method.....	29
CHAPTER IV DATA ANALYSIS .....	33
4.1 Descriptive Statistics.....	33
4.2 Classical Assumption Testing.....	35
4.3 Hypothesis Testing.....	40

4.4 Discussion .....	45
CHAPTER V CONCLUSIONS AND RECOMMENDATIONS .....	48
5.1. Conclusion .....	48
5.2. Research limitations .....	49
5.3. Recommendation .....	49
BIBLIOGRAPHY .....	51
APPENDIX .....	55
1. List of data sample .....	55
2. Result from SPSS .....	65

## List of Tables

Table 3.1 Total companies for sample .....	23
Table 4.1 Descriptive Statistics.....	33
Table 4.2 Normality test regression 1 (before excluding outlier) .....	35
Table 4.3 Normality test regression 2 (before excluding outlier) .....	35
Table 4.4 Normality test regression 1 (after excluding outlier).....	36
Table 4.5 Normality test regression 2 (after excluding outlier).....	37
Table 4.6 Multicollinearity test regression 1 .....	37
Table 4.7 Multicollinearity test regression 2 .....	38
Table 4.8 Autocorrelation Test for regression 1 .....	38
Table 4.9 Autocorrelation Test for regression 2 .....	39
Table 4.10 Heteroscedasticity Test for regression 1 .....	39
Table 4.11 Heteroscedasticity Test for regression 2 .....	40
Table 4.12 F-Test for regression 1 .....	40
Table 4.13 F-Test for regression 2 .....	41
Table 4.14 Coefficient of determination (R squared) .....	41
Table 4.15 t-test regression 1 .....	42
Table 4.16 t-test regression 2 .....	43

## List of Figures

Figure 2.1 The interaction effect of institutional investors.....	22
Figure 2.2 The basic theoretical framework .....	22
Figure 4.1 Interaction effect of institutional investors (2) .....	44