

ABSTRACT

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Study Program : Accounting

Title : *The Influence of Earnings Manipulation with M-Score on Actual Return in Companies that Listed on the Indonesia Stock Exchange (BEI) during the Period 2019-2022.*

Earnings manipulation has become a phenomenon, where such practice is done by companies to present a favorable impression through financial reporting aimed at attracting investor interest. The occurrence of various accounting scandals is an issue to address, thus an approach through financial statement analysis must be taken to minimize fraud and detect errors at an early stage. This can be done through Beneish M-Score. It is a mathematical model generated through discriminant analysis that utilizes eight financial ratios with certain coefficient on each factor. The figure identifies probability whether a company could commit earnings manipulation. This study aims to examine the influence of earnings manipulation activities (measured in M-Score) towards Actual Return. This study also includes control variables such as leverage, price to book value (PBV), and firm size. This study employs a quantitative analysis method with multiple regression analysis. This research uses purposive sampling method to gather at least 52 raw data. As results, M-Score and leverage are proven significantly to influence Actual Return, while price to book value and firm size have no significant influence on Actual Return.

Keywords : *Actual Return, Firm Size, Leverage, M-Score, Price to Book Value (PBV)*