

## **ABSTRACT**

*The purpose of this study was to examine the effect of company characteristics (such as investment opportunities, managerial ownership, leverage, firm size, quality of external auditor and profitability) to the quality of implementation of good corporate governance. This study uses regression analysis to determine whether investment opportunities, managerial ownership, leverage, firm size, quality of external auditor and profitability has a influence to the quality of implementation of good corporate governance.*

*This study used samples of 40 companies, using purposive sampling method with the criteria of go public companies listed on the Indonesia Stock Exchange (IDX) 2007-2010 are included in the application of corporate governance ratings conducted by The Indonesian Institute for Corporate Governance (IICG) in the year 2007 - 2010 a rating score CGPI (Corporate Governance Perception Index) and Indonesian Capital Market Directory (ICMD) 2007-2010.*

*The results of this study indicate that (1) investment opportunities shows that is no significant effect to the quality implementation of good corporate governance, (2) managerial ownership has a significant effect on the quality of implementation of good corporate governance, (3) leverage is no significant effect to the quality of implementation of good corporate governance, (4) firm size has a significant effect on the quality of implementation of good corporate governance, (5) quality of external auditor has a significant effect on the quality of implementation of good corporate governance, (6) profitability has a negative effect on the quality of implementation of good corporate governance.*

**Keywords:** *MVE, Managerial Ownership, DER, Firm Size, Quality of External Auditors, ROA, and Quality of Good Corporate Governance.*