

FRAUDULENT FINANCIAL STATEMENT (FACTORS ANALYSIS)

ABSTRACT

The purpose of this study is to analyze the factors that influence the fraudulent financial statement on manufactures company in indonesia. The independent variables which used are audit quality as measured by audit size (Public Accounting Firm big four and non big four) and financial distress as measure by Z score Zmizewzky model, while the dependent variabel which used is fraudulent financial statement as measured by F score model.

As population in this study is manufacturing companies which were listing on the indonesia stock exchange between 2010-2012 period. Sampling was conducted with a purposive sampling method and there were 61 as sample of the manufactures companies, so that there were 183 observations. The method of analyzes which used is multiple linear regression.

Based on the result of the study show that audit quality as measure a Public Accounting Firm big four have the negative effect on fraudulent financial statement, while financial distress have the positive effect on fraudulent financial statement.

Keywords: *fraudulent financial statement, audit quality, financial distress, F score*