ISSN: 2338-8412 e-ISSN : 2716-4411

Ekombis Review – Jurnal Ilmiah Ekonomi dan Bisnis
Available online at : https://jurnal.unived.ac.id/index.php/er/index
DOI: https://doi.org/10.37676/ekombis.v14i1

The Effect Of Earnings Management, Dividend Policy, And Retained Earnings In Improving The Financial Performance Of LQ45 Companies

Erwin Febriansyah [1)]; Karen Jayanti [2)]; Rona Naula Oktaviani [3)]; Fadrul [4)]
[1,2)] Accounting Department, Satu University, Bandung, Indonesia
[3)] Accounting Department, Islamic University of Riau, Pekanbaru, Indonesia
[4)] Management Department, Pelita Indonesia Institute of Business and Technology, Pekanbaru, Indonesia
Email: [1)] erwin.febriansyah@univ.satu.ac.id ;[2)] karen.jayanti@satu.ac.id ;[3)] ronanaulaoktaviani@eco.uir.ac.id
[4)] fadrul@lecturer.pelitaindonesia.ac.id

How to Cite :
Febriansyah, E,. Jayanti, K., Oktaviani, R. N., Fadrul. (2026). The Effect Of Earnings Management, Dividend Policy, And Retained Earnings In Improving The Financial Performance Of LQ45 Companies. EKOMBIS REVIEW: Jurnal Ilmiah Ekonomi Dan Bisnis, 14(1). DOI: https://doi.org/10.37676/ekombis.v14i1

ARTICLE HISTORY
Received [30 July 2025]
Revised [25 January 2026]
Accepted [28 January 2026]

KEYWORDS
Earnings Management, Dividend Policy, Retained Earnings, Financial Performance, LQ45 Index, Panel Data Regression.

ABSTRACT

This study aims to analyze the influence of earnings management, dividend policy, and retained earnings on the financial performance of companies listed in the LQ45 index on the Indonesia Stock Exchange (IDX) during the 2021–2024 period. The research adopts a quantitative approach using panel data regression analysis with the Fixed Effect Model estimation method. The sample consists of 14 companies that consistently appear in the LQ45 index and provided complete financial reports throughout the study period. The results indicate that earnings management, dividend policy, and retained earnings simultaneously have a significant effect on financial performance. Partially, dividend policy and retained earnings have a positive and significant influence, while earnings management does not significantly affect financial performance. These findings highlight the importance of effective dividend and retained earnings management in enhancing a company's financial performance, while manipulative earnings management practices do not contribute meaningfully to sound financial achievement.

INTRODUCTION

Companies are required to have effective strategies to maintain and improve their financial performance. Companies with strong financial performance possess numerous advantages that can make them more competitive and increase their attractiveness to investors. One group of companies that has attracted attention in the Indonesian capital market is those listed in the LQ45 Index on the Indonesia Stock Exchange (IDX). Earnings management can influence how a company's financial statements are perceived by investors, dividend policy determines how much profit is distributed to shareholders, and retained earnings are crucial for

future business expansion. These three elements are essential components of corporate strategy that not only affect internal company decisions but also have a direct impact on investor perception and company value.

Compared to the Jakarta Composite Index (JCI) and the IDX30 index, the LQ45 index exhibits relatively more volatile performance. This indicates that although LQ45 companies are ranked among the top companies, their performance is heavily influenced by internal factors such as earnings management, dividend policy, and profit allocation policies, including retained earnings. Therefore, the LQ45 index's improving performance over the past decade demonstrates the importance of assessing internal company factors that can contribute to sustainable financial performance.

Previous research has shown that the influence of earnings management, dividend policy, and retained earnings on financial performance has not yielded consistent conclusions, thus warranting further investigation. Research conducted by Pratomo & Sudibyo (2023) found that earnings management had no significant effect on firm value in LQ45 companies.

Meanwhile, research conducted by Pratama & Nurfadillah (2020) shows that dividend policy simultaneously has a positive and significant effect on firm value. Research conducted by Yuliani & Widajatun (2023) also shows that dividend policy contributes to building firm value, which indirectly reflects improved financial performance. Similarly, research conducted by Novita (2021) shows that several financial performance indicators have a significant impact on corporate profits. This research provides insight that retained earnings, as a component of corporate profits, can be influenced by overall financial performance.

Based on these research results, it can be concluded that there is a complex influence between earnings management, dividend policy, retained earnings, and corporate financial performance. However, these results do not provide a consistent picture regarding the direction and strength of the influence between these variables. Therefore, further research is needed to comprehensively analyze how these three variables interact and influence corporate financial performance, particularly for companies listed on the LQ45 index on the Indonesian Stock Exchange (IDX). This research is expected to contribute to the development of scientific knowledge in the fields of accounting and finance, as well as provide considerations for corporate management in making strategic decisions related to earnings management, dividend policy, and retained earnings management.

LITERATURE REVIEW

Earnings Management

Earnings management refers to the practice of managing a company's earnings through accounting policies and operational decisions to achieve specific objectives, such as meeting profit targets, influencing stock prices, or meeting debt contractual requirements (Healy & Wahlen, 1999). According to (Scott, 2003), earnings management involves actions taken through accounting policy choices to achieve specific objectives, such as fulfilling self-interest or increasing the company's market value. This is intended to mislead users of financial statements about the company's economic performance and to influence contractual earnings that control reported accounting figures. (Healy & Wahlen, 1999) emphasize that earnings management can occur when managers have discretion in choosing accounting policies that affect reported earnings figures to shareholders. These actions can be opportunistic, when management aims to maximize personal interests such as bonuses or contracts (Watts & Zimmerman, 1986). However, in some cases, earnings management can also be considered efficient, namely when management attempts to communicate private information to investors in a way that is not possible through other channels (Arya, Glover, & Sunder, 2003).

Earnings management can be divided into two types: real earnings management and accrual earnings management. Real earnings management involves changes in a company's

operational activities, such as accelerating sales or delaying expenditures (Roychowdhury, 2006), while accrual earnings management involves changing accounting assumptions or estimates in financial statements (Dechow & Skinner, 2000).

Several factors influencing earnings management in this study include profitability (ROA), financial risk (DER), and company growth (Zulfia, Setyowati, & Komara, 2023). Furthermore, the effectiveness of corporate governance mechanisms, such as the role of the board of commissioners, audit committee, and external audit quality, also play a significant role in reducing earnings management practices (Klein, 2002).

Dividend Policy

Dividend policy refers to decisions made by a company regarding how much of its profits will be distributed to shareholders in the form of dividends, as well as when and how these payments will be made (Lintner, 1956). In traditional theory, dividend policy is considered to have no impact on firm value, where the firm's value depends entirely on future cash flows. However, in practice, dividend policy can influence shareholder investment decisions. (Modigliani & Miller, 1961) developed the Dividend Irrelevance Theory, which states that in a perfect market, firm value is not affected by dividend decisions, because shareholders can "home-make dividends" by buying or selling shares to achieve their desired level of income.

Conversely, in Dividend Signaling Theory, dividend policy is considered a signal to the market regarding a company's future performance and prospects. Ross (1977) argues that higher dividend payments can be viewed as a positive signal of a company's financial stability, while dividend reductions can signal financial distress. In this context, dividends are seen not only as a means of distributing profits but also as a communication tool between management and investors.

Decisions regarding dividend policy are influenced by several factors, including a company's profits, growth prospects, debt policy, and capital requirements for expansion or new investments (Brealy & Myers, 2003). Companies with high growth rates typically prefer to retain profits and reinvest them in the business rather than pay dividends (Fama & French, 2001). Conversely, stable and mature companies with few growth opportunities are more likely to pay higher dividends to shareholders.

Signaling theory explains how companies use dividend payment decisions to convey information about their future prospects to investors. Due to information asymmetry, where company management has more information than investors, management can use dividend policy as a signal to reduce investor uncertainty about the company's condition and performance. According to this theory, changes in dividend policy, especially unexpected ones, can convey important information to the market. For example, a dividend increase is considered a positive signal, indicating that the company has good prospects and is capable of generating stable profits. Conversely, a reduction or suspension of dividends can be considered a negative signal, indicating potential financial problems or a decline in the company's performance in the future.

Retained earning

Retained earnings are the portion of a company's net profit that is not distributed as dividends, but rather retained for reuse in company operations or future investments (Brigham & Houston, 2010). In financial statements, retained earnings are recorded as part of shareholders' equity and reflect the accumulation of undistributed profits since the company's inception (Wild, Subramanyam, & Halsey, 2007). The use of retained earnings is generally focused on financing expansion, paying off debt, or establishing reserves for specific purposes (Harahap, 2013). According to (Weston & Brigham, 1996), the decision to retain earnings or distribute them as dividends depends heavily on the company's financial policies, liquidity conditions, and future growth prospects.

Retained earnings are also closely related to corporate growth theory. In practice, market conditions are imperfect, so retained earnings can be an important source of internal financing and impact a company's capital structure and financial risk (Myers, 1984). On the other hand, the availability of substantial retained earnings can also be a positive signal to investors that the company has good growth prospects and is able to finance expansion without relying on financing (Ross, Westerfield, & Jordan, 2008). However, if not managed properly, excessive accumulation of retained earnings can also raise questions about the efficiency of management's use of company funds (Brigham & Houston, 2010).

Financial performance

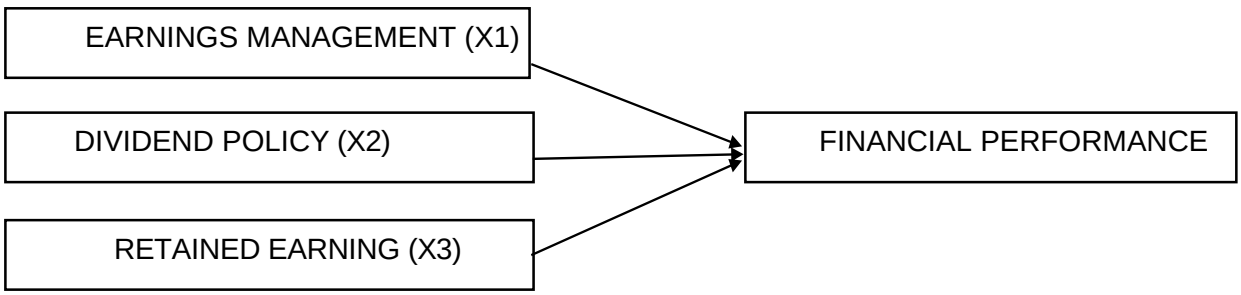
Financial performance is an important indicator in assessing the extent to which management is effective in managing company resources to achieve business goals efficiently and profitably (Horne & Wachowicz, 2005). Financial performance is generally assessed through financial statement analysis, which reflects the company's financial condition, operating results, and cash flow over a specific period (Wild, Subramanyam, & Halsey, 2007). According to (Harahap, 2013), financial performance reflects a company's ability to generate profits, maintain liquidity, and maintain operational efficiency.

Various financial ratios are used to measure performance, including profitability, liquidity, solvency, and activity ratios. Profitability ratios measure a company's ability to generate profits, such as Return on Assets (ROA) and Return on Equity (ROE) (Brigham & Houston, 2010). ROA indicates how efficiently a company's assets are used to generate profits, while ROE describes the rate of return on shareholder equity (Kasmir, 2014). Meanwhile, liquidity ratios such as the current ratio and quick ratio are used to assess a company's ability to meet short-term obligations (Hanafi & Halim, 2007). Solvency ratios are used to measure a company's ability to meet long-term obligations and assess the level of financial risk, for example, the debt-to-equity ratio (DER) and the debt-to-asset ratio (Weston & Brigham, 1996). On the other hand, activity ratios such as inventory turnover and total asset turnover provide information on how efficiently a company uses its assets in its daily operations (Ross, Westerfield, & Jordan, 2008).

According to (Munawir, 2010), the primary objective of financial performance analysis is to provide relevant information for management, investors, and creditors in making economic decisions. Good financial performance can increase investor confidence, strengthen a company's market position, and support long-term growth (Horne & Wachowicz, 2005). Therefore, measuring and analyzing financial performance is an integral part of a management control system and good corporate governance.

Conceptual Framework

Figure 1 Conceptual Framework



Research Hypothesis

To analyze whether these variables influence financial performance, this study proposes the following hypotheses:

1. Earnings management is significant in improving the financial performance of LQ45 companies.
2. Dividend policy is significant in improving the financial performance of LQ45 companies.
3. Retained earnings are significant in improving the financial performance of LQ45 companies.

METHODS

Form of Research

This research is a form of quantitative research. Quantitative research can be conducted by collecting data in the form of numbers, which are then processed to obtain scientific information (Martono, 2011).

Place and Time of Research

This research was conducted in Indonesia, focusing on companies listed in the LQ45 index on the Indonesia Stock Exchange (IDX). The study covered the period from 2021 to 2024, with the aim of analyzing the influence of earnings management, dividend policy, and retained earnings on the financial performance of these companies. The data used were obtained from the annual financial reports published by each company and accessed through the IDX website and other reliable financial data sources.

Population

According to (Martono, 2011), a population is a collection of objects or individuals with certain characteristics that become the object of research. The population in this study was 45 companies listed in the LQ45 index during the period 2021 to 2024.

Sample

According to (Martono, 2011), a sample is a group of individuals or objects taken from a population used to represent that population in research. The sample in this study is companies that have been consistently listed in the LQ45 index for four consecutive years (2021–2024) and have complete and available financial reports for the period in question. This research sample was selected using a purposive sampling method. The purposive sampling method was chosen because the researcher wanted to ensure that the samples taken met predetermined criteria, namely companies that have valid financial reports that can be used in the analysis.

Tabel 1 Sample Criteria

Sample Criteria	Number of Companies
Companies listed in the LQ45 index consecutively during the 2021-2024 period	27
Companies that published complete annual financial reports from 2021-2024 (in millions of rupiah)	(9)
Companies that consistently distributed dividends during the 2021-2024 period	(4)
Number of Sample Companies	14

RESULTS

Determination of Panel Data Regression Model

Chow Test

The Chow test is used to determine the most appropriate Common Effect Model or Fixed Effect Model to use in panel data analysis.

Table 1 Chow Test Results

Effects Test	Statistic	d.f.	Prob.
Cross-section F	30.073342	(13,39)	0.0000
Cross-section Chi-square	134.406456	13	0.0000

Source: Eviews13 Test Results (Data processed, 2025)

The results of the Chow test in Table 4.1 show a cross-section probability value of F = 0.0000 < 0.05. Therefore, it can be concluded that the appropriate model to use in the Chow test is the fixed effect model.

Hausman test

The Hausman test is a statistical test to select whether the Fixed Effect Model or Random Effect Model is most appropriate to use.

Table 2 Hausman Test Results

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	34.601254	3	0.0000

Source: Eviews13 Test Results (Data processed, 2025)

The Hausman test results in Table 4.2 show a random cross-section probability value of 0.000 < 0.05. Therefore, it can be concluded that the appropriate model to use in the Hausman test is the fixed effect model.

Panel Data Regression Analysis

Fixed Effect Model

Based on the model selection results above, the fixed effect model better explains the panel data regression model in this study. The following are the estimated results of the fixed effect model:

Table 3 Fixed Effect Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.033555	0.012690	2.644280	0.0139
MANAGEMENT_EARNINGS?	0.566934	0.306444	1.850040	0.0762
D(DIVIDEND_POLICY?)	0.024688	0.011937	2.068257	0.0491
RETAINED_EARNING?	4.89E-09	1.72E-09	2.834626	0.0090
Fixed Effects (Cross)				
ANTM--C	0.050843			
BBCA--C	-0.106227			
BBNI--C	-0.084452			
BBRI--C	-0.062796			
BMRI--C	-0.194571			
CPIN--C	0.029589			

EXCL--C	-0.033095			
ICBP--C	0.011606			
INDF--C	-0.009827			
INTP--C	0.034023			
PTBA--C	0.152794			
SMGR--C	-0.016608			
TOWR--C	0.001586			
UNVR--C	0.227137			

Source: Eviews13 Test Results (Data processed, 2025)

Coefficient of Determination

The coefficient of determination (R2) determines the ability of the independent variable to explain the dependent variable. The R2 value has an interval between 0 and 1 (0≤ R2≥1). The greater the R2 (closer to 1), the better the results for the regression model and the closer it is to 0, the less relationship there is between the independent variable and the dependent variable (Bawono, 2006).

Table 4 Results of the Determination Coefficient

R-squared	0.937111
Adjusted R-squared	0.896862

Source: Eviews13 Test Results (Data processed, 2025)

The R2 value explains the level of relationship between the independent variables (X) and the dependent variable (Y). Table 4 shows that the R2 value is 0.937111, or 93%. This indicates a very strong influence of earnings management, dividend policy, and retained earnings on financial performance.

Simultaneous Test (F Test)

The F-statistic test is used to see the influence of all independent variables together on the dependent variable. The significance test is carried out with a 95% confidence level or significance α = 0.05. To carry out the F-test, the value of α = 0.05 can be compared with the sig value (F statistic).

Tabel 5 Hasil Uji F

F-statistic	23.28297
Prob(F-statistic)	0.000000

Source: Eviews13 Test Results (Data processed, 2025)

Based on table 5, the results of the F-test calculation show that the probability value (F-statistic) is 0.000000 < the error rate (alpha) of 0.05. This means that the independent variables consisting of earnings management, dividend policy, and retained earnings are simultaneously significant to the financial performance of LQ45 companies, thus explaining that this research is worthy of being studied.

Partial Test (T-Test)

The T-test can be performed by comparing the value of α = 0.05 with the value of prob (t statistic). If α = 0.05 > prob (t statistic) then the independent variable has a significant influence on the dependent variable and vice versa, namely if α = 0.05 < prob (t statistic) then the independent variable has no significant influence on the dependent variable.

Table 6 T-Test Results

Variable	t-Statistic	Prob.	Description
MANAGEMENT_EARNINGS ?	1.850040	0.0762	Not significant
D(DIVIDE ND_POLICY?)	2.068257	0.0491	Significant
RETAINED_EARNING?	2.834626	0.0090	Significant

Source: Eviews13 Test Results (Data processed, 2025)

Based on the results of the t-test that has been carried out and presented in table 6, the results can be seen as follows :

1. Earnings management on the financial performance of LQ45 companies
   In table 6, the results of the t-test calculation show that the probability value is 0.0762, this value indicates that the probability value is greater than the level of significance (α = 0.05) with the statistical t value showing the number 1.850040. So it can be said that positive earnings management is not significant to the financial performance of LQ45 companies.
2. Dividend policy on the financial performance of LQ45 companies
   Table 6 shows the results of the t-test calculation which shows that the probability value is 0.0491, this value indicates that the probability value is smaller than the level of significance (α = 0.05) with a statistical t value showing the number 2.068257. Therefore, it can be said that the dividend policy has a significant positive impact on the financial performance of LQ45 companies.
3. Retained earnings on the financial performance of LQ45 companies
   Table 6 shows the results of the t-test calculation which shows that the probability value is 0.0090, this value indicates that the probability value is smaller than the level of significance (α = 0.05) with a statistical t value showing the number 2.834626. Therefore, it can be said that retained earnings have a significant positive impact on the financial performance of LQ45 companies.

DISCUSSION

The Influence of Earnings Management in Improving the Financial Performance of LQ45 Companies

Based on the partial test results (T-test) in Table 4.6, the t-test calculation results show a probability value of 0.0762. Therefore, it can be concluded that positive earnings management does not significantly affect the financial performance of LQ45 companies. Although the direction of the relationship indicates a positive coefficient value, statistically, this result is not strong enough to indicate that earnings management practices can significantly improve a company's financial performance. This may be because earnings management is manipulative and does not reflect the actual financial condition, so it does not significantly influence financial performance as assessed by investors or other stakeholders. These results support research conducted by Pratomo & Sudibyo (2023), which showed that earnings management does not significantly influence firm value in LQ45 companies.

The Influence of Dividend Policy in Improving the Financial Performance of LQ45 Companies

Based on the partial test results (T-test) in Table 4.6, the t-test calculation results show a probability value of 0.0491. Therefore, it can be concluded that dividend policy has a significant positive effect on the financial performance of LQ45 companies. This supports signaling theory, which states that dividend policy is a positive signal to the market regarding a company's financial condition. Companies that are able to distribute dividends demonstrate stable cash

flow and good performance, thus increasing investor confidence and impacting financial performance. These results support research conducted by Pratama & Nurfadillah (2020), which found that dividend policy simultaneously has a positive and significant effect on company value.

The Influence of Retained Earnings in Improving the Financial Performance of LQ45 Companies

Based on the partial test results (T-test) in Table 4.6, the t-test calculation results show a probability value of 0.0090. Therefore, it can be concluded that retained earnings have a significant positive effect on the financial performance of LQ45 companies. Retained earnings reflect accumulated profits that are not distributed to shareholders but are instead reused by the company to finance expansion, investment, or strengthening its capital structure. Thus, retained earnings are an important source of internal funding for maintaining company stability and growth, which strengthens financial performance. These results support research conducted by (Novita, 2021), which shows that several financial performance indicators have a significant influence on company profits. This research provides insight that retained earnings, as a component of company profits, can be influenced by overall financial performance.

CONCLUSION

Based on the research results using panel data regression analysis with a Fixed Effect Model approach on 14 LQ45 companies for the 2021–2024 period, the following conclusions were obtained:

1. Earnings management has a positive but insignificant effect on the financial performance of LQ45 companies. This indicates that earnings management practices do not significantly improve a company's financial performance, possibly because these practices are manipulative and do not reflect the actual financial condition.
2. Dividend policy has a positive and significant impact on financial performance. This indicates that consistent dividend distribution can increase investor confidence and signal a positive impact on a company's financial health.
3. Retained earnings also have a positive and significant impact on financial performance. Retained earnings act as a source of internal financing that can be used for expansion and investment, ultimately positively impacting a company's financial performance.
4. Simultaneously, the three independent variables (earnings management, dividend policy, and retained earnings) have a significant effect on the financial performance of LQ45 companies, with a coefficient of determination (R^2) of 93.71%, indicating that this model is very good at explaining variations in financial performance.

SUGGESTION

Based on the results and conclusions of the study, the following recommendations can be made:

1. For Company Management: Transparent and ethical earnings management is essential. Earnings management practices that do not reflect actual performance should be avoided as they can lead to investor distrust.
2. Optimizing Dividend Policy: Companies should maintain and evaluate a stable dividend policy as a form of positive signal to investors and the market, because it has been proven to have a significant influence on improving financial performance.
3. Effective Management of Retained Earnings: The use of retained earnings must be directed towards productive activities such as business expansion and long-term investments in order to be able to improve the company's performance in a sustainable manner.

4. For Investors: Investors can use dividend policies and information about retained earnings as indicators in assessing a company's financial potential and stability for making wiser investment decisions.
5. For Future Researchers: It is recommended to expand the research object to companies outside the LQ45 index and extend the observation period to make the results more generalizable. The addition of other variables such as leverage, company size, or corporate governance could also enrich the analysis.

REFERENCES

Arya, A., Glover, J. and Sunder, S. (2003). *Earnings management and the performance of firms: Evidence from the 1990s*. *Journal of Accounting and Economics*, 35(2), pp.165–198.

Baltagi, B. (2005). *Econometric analysis of panel data*. 3rd ed. Chichester: John Wiley & Sons.

Basuki, A.T. (2016). *Analisis regresi dalam penelitian ekonomi & bisnis: Dilengkapi aplikasi SPSS & EViews*. Jakarta: Rajawali Pers.

Bawono, A. (2006). *Multivariate analysis dengan SPSS*. Salatiga: Salatiga Press.

Brealy, R.A. and Myers, S.C. (2003). *Principles of corporate finance*. 7th ed. New York: McGraw-Hill.

Brigham, E.F. and Houston, J.F. (2010). *Fundamentals of financial management*. 12th ed. Mason, OH: South-Western Cengage Learning.

Dechow, P., Sloan, R.G. and Sweeney, A.P. (1995). Detecting earnings management. *The Accounting Review*, 70(2), pp.193–225.

Dechow, P. and Skinner, D. (2000). Understanding earnings quality: A review of the proxies, their determinants and their consequences. *Journal of Accounting and Economics*, 36(1-3), pp.345–401.

Fama, E.F. and French, K.R. (2001). Disappearing dividends: Changing firm characteristics or lower propensity to pay? *Journal of Financial Economics*, 60(1), pp.3–43.

Febriana, Y. (2023). *Buku pintar pasar modal: Kamus pasar modal*. Jakarta: Elex Media Komputindo.

Gujarati, D.N. and Porter, D.C. (2009). *Basic econometrics*. 5th ed. New York: McGraw-Hill.

Hanafi, M.M. and Halim, A. (2007). *Analisis laporan keuangan*. Yogyakarta: UPP STIM YKPN.

Harahap, S.S. (2013). *Analisis kritis atas laporan keuangan*. Jakarta: RajaGrafindo Persada.

Harjito, D.A. (2011). *Manajemen keuangan*. Yogyakarta: Ekonisia Fakultas Ekonomi UII.

Healy, P.M. and Wahlen, J.M. (1999). A review of the earnings management literature and its implications for standard setting. *Accounting Horizons*, 13(4), pp.365–383.

Horne, J.V. and Wachowicz, J.M. (2005). *Fundamentals of financial management*. 12th ed. New Jersey: Pearson Education.

Kasmir (2014). *Analisis laporan keuangan*. Jakarta: RajaGrafindo Persada.

Klein, A. (2002). Audit committee, board of director characteristics, and earnings management. *Journal of Accounting and Economics*, 33(3), pp.375–400.

Lintner, J. (1956). Distribution of incomes of corporations among dividends, retained earnings, and taxes. *American Economic Review*, 46(2), pp.97–113.

Martono (2011). *Metode penelitian kuantitatif: Analisis isi dan analisis data sekunder*. Jakarta: Rarawali Pers.

Modigliani, F. and Miller, M.H. (1961). The cost of capital, corporation finance and the theory of investment. *American Economic Review*, 48(3), pp.261–297.

Moser, J.T. and Martin, G. (2016). *Principles of accounting: A comprehensive introduction*. Boston: Pearson.

Munawir, S. (2010). *Analisis laporan keuangan*. Yogyakarta: Liberty.

Myers, S.C. (1984). The capital structure puzzle. *The Journal of Finance*, 39(3), pp.575–592.

Novita, D. (2021). Pengaruh kinerja keuangan terhadap laba pada perusahaan yang terdaftar sebagai LQ45 di Bursa Efek Indonesia (BEI) periode 2015–2019. Bandung: UIN Sunan Gunung Djati.

Pratama, D.S. and Nurfadillah, M. (2020). Pengaruh kebijakan dividen dan kebijakan hutang terhadap nilai perusahaan pada perusahaan indeks LQ45 yang terdaftar di Bursa Efek Indonesia. *Borneo Studies and Research*, 3(2), pp.673–679.

Pratomo, D. and Sudibyo, D.A. (2023). Do earnings management and audit committee have an effect on the firm value? *AKRUAL: Jurnal Akuntansi*, 15(3), pp.234–247.

Riyanto, B. (2011). *Dasar-dasar pembelanjaan perusahaan*. Yogyakarta: BPFE UGM.

Ross, S.A. (1977). The determination of financial structure: The incentive-signalling approach. *The Bell Journal of Economics*, 8(1), pp.23–40.

Ross, S.A., Westerfield, R.W. and Jordan, B.D. (2008). *Corporate finance fundamentals*. 8th ed. New York: McGraw-Hill.

Roychowdhury, S. (2006). Earnings management through real activities manipulation. *Journal of Accounting and Economics*, 42(3), pp.335–370.

Sari, M.P., Efni, Y. and Halim, E.H. (2015). Analisis pengaruh kebijakan pendanaan dan laba ditahan terhadap nilai perusahaan dengan set kesempatan investasi sebagai variabel mediasi (Studi pada perusahaan LQ-45 yang terdaftar di BEI periode 2009–2013). *Jurnal Ekonomi dan Keuangan*, 17(4), pp.21–34.

Scott, W.R. (2003). *Financial accounting theory*. 3rd ed. Upper Saddle River, NJ: Prentice Hall.

Watts, R.L. and Zimmerman, J.L. (1986). *Positive accounting theory*. Englewood Cliffs, NJ: Prentice-Hall.

Weston, J.F. and Brigham, E.F. (1996). *Manajemen keuangan korporat*. 9th ed. Jakarta: Erlangga.

Widarjono, A. (2009). *Ekonometrika: Pengantar dan aplikasinya*. 3rd ed. Yogyakarta: Ekonesia.

Wijaya, R. (2019). Analisis perkembangan Return on Assets (ROA) dan Return on Equity (ROE) untuk mengukur kinerja keuangan. *Jurnal Ilmu Manajemen*, 7(1), pp.40–51.

Wild, J.J., Subramanyam, K.R. and Halsey, R.F. (2007). *Financial statement analysis*. 10th ed. New

York: McGraw-Hill/Irwin.

Wiyadi, Trisnawati, R., Sasongko, N. and Fauzi, I. (2015). The effect of information asymmetry, firm size, leverage, profitability, and employee stock ownership on earnings management with accrual model. *International Journal of Business, Economics and Law*, 8(2), pp.21–30.

Yuliani, R. and Widajatun, V.W. (2023). Pengaruh kebijakan dividen terhadap nilai perusahaan (Studi kasus perusahaan LQ-45). *Jurnal Riset dan Inovasi Manajemen*, 3(1), pp.185–191.

Zulfia, G., Setyowati, T. and Komara (2023). Pengaruh profitabilitas, risiko keuangan, dan pertumbuhan perusahaan terhadap manajemen laba pada perusahaan manufaktur yang terindeks LQ45 di Bursa Efek Indonesia periode 2016–2021. *JMBI UNSRAT*, 11(4), pp.1774–1788.