

UNIVERSITI TEKNOLOGI MARA

**MONITORING FINANCIAL RISK AND
EARNINGS MANIPULATION ACROSS
MALAYSIA, THAILAND AND INDONESIA**

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Final Year Project Paper submitted in fulfillment
of the requirements for the degree of
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AUTHOR'S DECLARATION

I declare that the work in this final year project paper was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the results of my own work, unless otherwise indicated or acknowledged as referenced work. This thesis has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Undergraduate, Universiti Teknologi MARA, regulating the conduct of my study and research.

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ABSTRACT

This paper has shown the tested results on the significance of mean difference in earnings manipulation, free cash flow, leverage, as well financial distress between Malaysia, Thailand and Indonesia. Study on overall data amounting 582 samples from Bursa Malaysia (Malaysia), Stock Exchange of Thailand (SET) for Thailand, and also Indonesia Stock Exchange (Indonesian: Bursa Efek Indonesia) on annual basis commencing from 2015 to 2017. The purpose of this study was whether to determine the significance of variables towards discretionary accruals (earnings manipulation) within the countries shown results from past studies can be proposed for a new regulation that focuses more towards reducing the earning manipulation within the firm, as results might be helpful for firms in the near future. Moreover, to better off identify within three countries which firms wholly manipulates earnings more than the other. The method to be used in this study; ordinary least square, also known as OLS that further testify on descriptive statistics as well as one-way analysis of variance (ANOVA). With the methods used, dully some areas can be minimized the sum of square error that might have in the data and portray a better result for users to understand. As the sum of squares are being minimalize, the result will have a better correlation between the countries.

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