
Fraudulent financial statement based of fraud diamond theory: A study of the banking sector in Indonesia

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Abstract

The research aims purpose to analyze whether external pressure, financial stability, financial targets, ineffective mentoring, rationalization, and capability effect on fraudulent financial statements. This study took a banking company listed on the Indonesia Stock Exchange with a total sample of 87 banking companies in 2011-2016. Based on the results of research using regression analysis. Only external variables of pressure and financial targets have a positive effect on fraudulent financial statements. For financial variable stability and ability have a negative impact on fraudulent financial statements. While other variables such as ineffective assistance and rationalization do not affect fraudulent financial statements.
