

Wannaporn Sirithip 2012: The Relationship between Board of Director Composition, Audit Committee Composition, Ownership Structure and Earnings Quality. Master of Business Administration, Major Field: Business Administration, Faculty of Business Administration. Thesis Advisor: Assistant Professor Tharinee Pongsupatt, Dr.rer.soc.oec 139 pages.

The purpose of this research were to examine a relationship between board of director composition, audit committee composition, ownership structure and earnings quality. The study used samples of the listed companies in the Stock Exchange of Thailand in 2010, total 344 companies. The data was analyzed by implementing multiple regression analysis at 95% confidence. In this research, the earnings quality were measured by discretionary accruals which were calculated by Cross-sectional Modified Jones model. The independent variables were board size, the independence of board, audit committee size, the accounting or financial expertise of audit committee, portion shares of majority ownership, directors and committees ownership, institutional ownership and governmental ownership. The control variables were firm size, leverage and growth. The dependent variable was earnings quality measured by discretionary accruals.

The results found that board of director independence had significant positive relationship with earnings quality. When board of director independence has increased, the managed earnings measured by discretionary accruals had decreased. Therefore, the information in the financial statements were more reliable and higher quality. Portion shares of majority ownership measured by top ten largest ownership had significant negative relationship with earnings quality. When portion shares of majority ownership had increased, the managed earnings measured by discretionary accruals had increased and affected in lower earnings quality. Therefore, in analyzing earnings quality, financial statement users should realize the important of board of director independence and portion shares of majority ownership.

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