

ABSTRACT

This research aims to analyze the factors that influence the selection of accounting conservatism. The accounting conservatism can be defined as an act of prudence in the company recognizes revenue and profit due to certain factors. This research uses five factors at once variables that alleged could affect the election accounting conservatism on the financial statements are institusional ownership, debt covenant, growth opportunities, , operating cash flow, and firm size.

This research used a purposive sampling method in the selection of the sample, the criteria of samples is a manufacturing company that apply accounting conservatism and then listed on the Indonesia Stock Exchange (IDX) during the period 2014-2016. Based on these criteria, obtained samples as much as 22 companies during a three-year period of observation. This research was conducted with quantitative methods and analysis techniques used the multiple regression analysis and hypothesis testing using the test t test, f test and the determination of the coefficient.

The Results of this research showed that not all factors contributing significantly to the selection of accounting conservatism in the financial statements. Only variable institusional ownership, operating cash flow, and firm size that shows the results of the influential significantly to election of accounting conservatism.

Keywords: *Accounting Conservatism, leverage ratio, firm size, intensity of capital, managerial ownership, public ownership, growth opportunity.*