

ABSTRACT

The existence of accounting conservatism case that occurred in Indonesia shows the lack of accounting conservatism in Indonesia. This study aimed to examine the influence of leverage, managerial ownership and financial distress on accounting conservatism.

In this study, the independent variables are leverage, managerial ownership and financial distress. The dependent variable in this study is accounting conservatism. This study aims to determine the effect of variable independent leverage, managerial ownership and financial distress on conservatism accounting in the mining sector companies listing in Indonesian Stock Exchange in 2010-2015. The hypothesis of this study is there is influence between the variables independent leverage, managerial ownership and financial distress to accounting conservatism either simultaneously or partially.

The population of this study is a Mining company listed in Indonesia Stock Exchange in 2010-2015. The sample selection technique using purposive sampling and obtained 19 company were included with the period of 6 years in order to get 114 samples were observed. Methods of data analysis in this research is panel data regression using Eviews 8.0 software.

The results showed that Leverage, Managerial Ownership, and Financial Distress simultaneously effect on accounting conservatism. While partially Leverage, and Financial Distress have no effect on accounting conservatism and managerial ownership have influence in negative direction towards accounting conservatism.

This research suggested to added new independent variable that predicted influence accounting conservatism, such as institutional ownership, audit committee, litigation, profitability, company size, and growth opportunity. The company's management are advised to create a policy to limit the managerial ownership in the company in order to accounting conservatism can be achieved and meets the needs of those users of financial statements. Investors are advised to collect all the information about the company that has a little of managerial ownership to invest in order to minimize risks and optimize profitability.

Keyword: Leverage, Managerial Ownership, Financial Distress, Accounting Conservatism.