

ABSTRACT

Conservatism is prudence principle in the preparation of financial reporting in which the company is not rush to recognizing revenue and profit as well as immediatilly recognize cost and loss that have possibility of occurring. The prudence principle is referred to accounting conservatism.

This study aimed to obtain empirical evidence of the influence of the audit committee, managerial ownership, foreign ownership, and independent director to accounting conservatism. The population in this study is a sub company retail industry sector listed on the Indonesia Stock Exchange in 2012-2016.

Mechanical sample selection using purposive sampling and acquired 5 companies by 5 years in order to get 25 samples was observed. Model analysis of the data in this research is panel data regression using Software EvIEWS 9.0.

This study shows that independent variables such as the audit committee, managerial ownership, foreign ownership, and independent director simultaneously affect the dependent variable accounting conservatism. In partial of variable audit committee significant positive effect on accounting conservatism, variabel independent director significant negative effect on accounting conservatism. Meanwhile, the variable managerial ownership and foreign ownership no significant effect on accounting conservatism.

Conclusions of this research is the audit committee and independent director significant effect on accounting conservatism, while managerial ownership and foreign ownership has no effect and can reduce the accounting conservatism at the company. Suggestions for the company is to increase the amount of managerial share ownership and for the investor to see the company that have a high proportion of foreign share ownership. As for further research, can use other measurement methods to measure conservatism using Zhang or Basu method.

Keyword: *Audit Committee, Managerial Ownership, Foreign Ownership, Independent Director, and Accounting Conservatism.*