

ABSTRACT

The property and real estate industry is expected to continue to run its business on an ongoing basis and the development of the industry has a great influence on the Indonesian economy because it is able to move more than 175 of its derivatives sectors so that the service sector also feels the positive impact such as banking through Home Ownership Loans.

Going concern is the ability of management to manage the company in order to avoid all problems that can cause losses or bankruptcy. In 2015, the property and real estate sub-sector experienced a net profit decline of 37% and the GDP distribution at current prices shows a decline in the role of the property and real estate sub-sector companies in the Indonesian economy from 2016 to 2018. In this case the independent auditor should provide an early warning in the form of giving a going-concern audit opinion so that these companies can immediately take action to maintain business continuity. But the fact is, for 5 years only 3 property and real estate sub-sector companies received a going concern audit opinion from an independent auditor.

This study aims to determine the effect of financial conditions, earnings management and profitability on going concern audit opinion reception in property and real estate sub-sector companies in 2014-2018 both simultaneously and partially.

The method in this study is a quantitative research method. The sampling technique in this study used a purposive sampling technique that obtained 30 research samples with an observation period of 5 years, so that 150 sample units were obtained. Data analysis method used in this study is logistic regression analysis using SPSS 22 software.

The results of this study indicate that the financial condition, earnings management and profitability simultaneously influence the acceptance of going concern audit opinion. Partially, financial condition and profitability have a negative effect on going concern audit opinion, while earnings management has no effect on going concern audit opinion.

Keywords: financial condition, earnings management, profitability and going concern audit opinion