

ABSTRACT

Conservatism is an important principle for recognizing and measuring assets and profits in financial statements and is done carefully because of the uncertain environment. This study aims to determine the effect of Growth Opportunity, Litigation Risk, and Political Cost to Accounting Conservatism. The population of this research is the consumer non-primer sector companies listed on the Indonesia Stock Exchange (IDX) for the 2018-2021 period. The study using data observation that obtained 160 observational data. The method used in this research is panel data regression analysis using EViews 10 software. The result of this study indicate that Growth Opportunity, Litigation Risk, and Political Cost simultaneously influence Accounting Conservatism. Partially, growth opportunity shown that has a positive effect on accounting conservatism but not significantly. Litigation risk significantly has a positive effect on accounting conservatism. Lastly, political cost has a negative effect on accounting conservatism. For companies, this research is expected to be considered by companies in increasing growth opportunities and reducing litigation risk to apply the principle of conservatism in the preparation of company financial statements. Then for investors, it is expected to pay more attention and choose companies with good growth opportunities and high litigation risks because the company is indicated to produce financial statements that tend to apply conservatism practices

Keywords: *Political Cost, Accounting Conservatism, Growth Opportunity, Litigation Risk*