

ABSTRACT

Statement (PSAK) No. 1 (2019) states that financial statements are a structured presentation of the financial position of an entity which contains information about assets, liabilities, equity, income and expenses including profits and losses, contributions from and distributions to owners and cash flows. Accounting conservatism is the concept of recognizing expenses and liabilities as soon as possible despite uncertainty about the outcome, but only recognizing income and assets when it is certain that they will be received. This study aims to determine the partial and simultaneous effects of cash flow, financial distress, and investment opportunity sets on accounting conservatism.

The purpose of this study was to analyze how cash flow, financial distress, and investment opportunity sets influence accounting conservatism. The aspects examined in this study include the theoretical basis of variables, analysis of hypothesis testing, and discussion of the effect of the independent variables on the dependent variable.

The population in this study is the property & real estate sector for the 2019-2021 period. The sample selection technique used purposive sampling and obtained 61 companies included with a period of 3 years so that 183 samples were observed. The data processed is secondary data obtained through the official IDX website. The data analysis model in this study is panel data regression using Eviews 12 software

Based on the research results, cash flow, financial distress, and investment opportunity sets simultaneously have a significant effect on accounting conservatism. While partially, the cash flow variable has a positive effect on accounting conservatism. Meanwhile, financial distress and investment opportunity set variables have a significant negative effect on accounting conservatism.

For Academics It is hoped that this research can provide information and knowledge to readers, especially regarding accounting conservatism. For investors this research can be a reference in making decisions to invest in a company, especially those engaged in the property & real estate sector. Management is expected to be able to use this information as management evaluation material to manage and run the company's operations.

Keywords: Cash Flow, Financial Distress, Investment Opportunity Set, Accounting Conservatism