

ABSTRACT

The Effect of Profitability, Financial Distress and Company Size on Accounting Prudence (Empirical Study of Manufacturing Companies Listed on the Indonesia Stock Exchange 2015-2019)

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This study aims to see (1) the effect of profitability on accounting prudence in manufacturing companies listed on the Indonesia Stock Exchange in 2015-2019, (2) the effect of financial distress on accounting prudence in manufacturing companies listed on the Indonesia Stock Exchange. 2015-2019, (3) the influence of company size on accounting prudence in manufacturing companies listed on the Indonesia Stock Exchange in 2015-2019. The population in this study are manufacturing companies listed on the Indonesia Stock Exchange in 2015-2019 which can be estimated at 195 companies. The sample was determined by using purposive sampling technique, with a total sample size of 90 samples consisting of 21 companies that have met the criteria in determining the sample. This study uses secondary data obtained from the Indonesia Stock Exchange (BEI) website and the company's official website in the form of financial reports and annual reports for the 2015-2019 period. The results showed that (H1), namely profitability, had an effect on accounting prudence, (H2) financial distress also showed an effect on accounting prudence and (H3) firm size had an effect on accounting prudence. So it can be concluded that profitability, financial distress and company size simultaneously affect accounting prudence.

Keywords: Profitability, Financial Distress, Company Size, Accounting Prudence

Libraries : 40

Publication Years : 2003 - 2020