

ABSTRACT

The Effect of Independent Commissioner Mechanism, Frequency of Audit Committee Meetings, and Audit Quality on Cost of Equity Capital (Empirical Study on Conventional Banking Companies Listed on the Indonesia Stock Exchange for the 2017–2020 Period)

Naomi Putri¹⁾ , Rudi Harianto²⁾ , Irma Paramita Sofia³⁾

- 1) Student of Accounting Department, Pembangunan Jaya University
- 2) Lecturer of Accounting Department, Pembangunan Jaya University
- 3) Lecturer of Accounting Department, Pembangunan Jaya University.

This research aims to analyze and examine empirically the effect of independent commissioners, frequency of audit committee meetings, and audit quality on the cost of equity capital. The cost of equity capital is measured using the Ohlson Model. The object of research used in this study is a conventional banking company listed on the Indonesia Stock Exchange for the 2017-2020 period. This research data uses secondary data in the form of company financial statements taken from the official website of the Indonesia Stock Exchange using purposive sampling technique with a total acquisition of 72 samples. Data analysis in this study used multiple linear regression. Based on the existing tests, the results obtained that independent commissioners and audit quality have an effect on the cost of equity capital. Meanwhile, the frequency of audit committee meetings has no effect on the cost of equity capital.

Keywords: *Cost of Equity Capital, Independent Commissioner, Frequency of Audit Committee Meetings, and Audit Quality.*