

ABSTRACT

The Effect of Investment Opportunity Set and Accounting Conservatism on Profit Quality (In Industrial Companies Listed on the Indonesia Stock Exchange Period 2017 – 2021)

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This study aims to explain and understand the effect of Investment Opportunity Set and Accounting Conservatism on Profit Quality with Firm Size as a control variable, where this research was conducted based on industrial sector companies listed on the Indonesia Stock Exchange in 2017 – 2021. The population of this study totaling 35 industrial sector companies, with a total sample of 175 samples obtained by purposive sampling method.

The data analysis technique is using multiple linear regression analysis with data processing through Eviews12 software. The results of this study reveal that Investment Opportunity Set and Accounting Conservatism affect earnings quality. Simultaneously, the Investment Opportunity Set variable and Accounting Conservatism have an effect on Earnings Quality with Firm Size as a control variable which can increase the coefficient of determination to be higher.

Keywords: *Investment opportunity set, accounting conservatism, earnings quality, company size*

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Publication Year 2017 – 2022