

**COMPARISON OF ACCOUNTING CONSERVATISM LEVEL
DUE TO IFRS CONVERGENCE AND FACTORS
INFLUENCING ACCOUNTING CONSERVATISM
EMPIRICAL STUDY ON COMPANIES LISTED IN INDONESIAN
STOCK EXCHANGE**

ABSTRACT

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The application of accounting conservatism is still a debatable issue, especially after the convergence of IFRS that abandoned the conservatism principle. The purpose of this research is to compare accounting conservatism level before and after IFRS convergence in Indonesia, and to analyze various factors influencing accounting conservatism. These factors are leverage, company sector, company size, and ownership structure. This research uses asymmetric accruals to cash flow measure for accounting conservatism. Ownership structures in this research are managerial ownership and institutional ownership. The sample of this research is companies listed in Indonesian Stock Exchange for 2010 – 2013. The results show that there is a difference of accounting conservatism level due to IFRS convergence. Leverage has a significant negative effect to accounting conservatism. Company size has a significant positive effect to accounting conservatism.

Keyword: Accounting Conservatism, IFRS, Leverage, Company Sector, Company Size, Ownership Structure, Asymmetric Accruals to Cash Flow.