

***THE EFFECT OF FINANCIAL DISTRESS, GROWTH
OPPORTUNITY, AND LITIGATION RISK ON ACCOUNTING
CONSERVATISM***

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Abstract

This study was conducted to practically test the effect of financial distress, growth opportunity, and litigation risk on accounting conservatism. Accounting conservatism is proxied using the earnings accrual measure formula. Financial distress is measured using the Zmijewski proxy, growth opportunity using the market to book value proxy, and litigation risk using the debt to equity ratio. The object of this research is the property and real estate sector companies listed on the Indonesia Stock Exchange in 2017-2020. The sample was selected using a purposive sampling technique so that the sample obtained was 152 samples. The software used to test the hypothesis is STATA version 16. The results of this study indicate that 1) financial distress has significant positive effect on accounting conservatism; 2) growth opportunity has no significant effect on accounting conservatism; 3) litigation risk has no significant effect on accounting conservatism.

Keywords : Accounting Conservatism, Financial Distress, Growth Opportunity, Litigation Risk

PENGARUH *FINANCIAL DISTRESS, GROWTH OPPORTUNITY, DAN LITIGATION RISK* TERHADAP KONSERVATISME AKUNTANSI

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Abstrak

Penelitian ini dilakukan guna menguji secara praktis pengaruh *financial distress, growth opportunity, dan litigation risk* terhadap konservatisme akuntansi. Konservatisme akuntansi diproksikan menggunakan rumus *earning accrual measure*. *Financial distress* diukur menggunakan proksi Zmijewski, *growth opportunity* menggunakan proksi *market to book value*, dan *litigation risk* menggunakan rasio *debt to equity*. Objek dalam penelitian ini yakni perusahaan sektor *property* dan *real estate* yang *listing* di Bursa Efek Indonesia tahun 2017-2020. Sampel diseleksi menggunakan teknik *purposive sampling* sehingga sampel yang diperoleh ialah 152 sampel. *Software* yang digunakan untuk melakukan uji hipotesis yakni STATA versi 16. Hasil penelitian ini menunjukkan bahwa 1) *financial distress* berpengaruh secara signifikan positif terhadap konservatisme akuntansi; 2) *growth opportunity* secara signifikan tidak berpengaruh terhadap konservatisme akuntansi; 3) *litigation risk* tidak berpengaruh secara signifikan terhadap konservatisme akuntansi.

Kata Kunci : Konservatisme Akuntansi, *Financial Distress, Growth Opportunity, Risiko Litigasi*