

The Effect of Financial Distress and Growth Opportunities on Accounting Conservatism with Litigation Risk as Moderated Variables in Manufacturing Companies Listed on BEI

Warsani Purnama Sari

University of Medan Area, Medan, Indonesia

warsani@staff.uma.ac.id

Abstract

This study aims to examine and analyze the effect of financial distress and growth opportunities on accounting conservatism with litigation risk as a moderating variable. The population in this study were 147 manufacturing companies listed on the Indonesia Stock Exchange for the period 2015-2017, with a purposive sampling technique so that 102 samples were obtained. The method of data analysis uses multiple linear regression analysis and interaction testing with the help of the Eviews application program. The results showed that financial distress and growth opportunities partially had a positive and significant effect on accounting conservatism. Litigation risk as a moderating variable strengthens the effect of litigation risk on accounting conservatism, and litigation risk weakens the effect of growth opportunities on accounting conservatism on Manufacturing companies listed on the Indonesia Stock Exchange for the period 2015-2017.

Keywords

financial distress;
growth opportunities;
litigation risk; and



I. Introduction

Management has responsibility in preparing financial reports to be submitted to the parties concerned which is one of the information that describes management activities in managing company resources that will be used by internal and external parties. The financial statements must meet the objectives, rules and accounting principles in accordance with generally accepted standards in order to produce financial statements that can be accounted for and avoid problems that can encourage shareholders to replace company managers. So in this case, the problematic financial conditions can encourage managers to set the level of accounting conservatism.

The application of conservatism basically becomes an important thing to apply. As for some of the phenomena that occur and are related to the low level of application of the principle of conservatism, namely as in PT. Timah is suspected of providing fictitious financial statements to cover the financial performance that continues to decline. In fact in the financial statements for the first half of 2015 PT. Tin lost 59 billion. Resulting in overstatement of earnings reporting. (Quoted from economy.okezone.com. Another phenomenon also occurred at PT. BUMI recorded the amount of expenses to be paid higher than its own operating profit, so that PT. Bumi's margin performance decreased significantly due to soaring production / ton costs by 9.2 % and not offset the increase in selling prices in the first half of 2012. (Quoted from kompas.com).

The phenomenon that occurs shows that company policy in applying the principle of conservatism is very important. The principle of conservatism needs to be considered to avoid mistakes in recording financial statements, because conservatism is a principle that adheres to caution both in recording income and costs as well as profits and losses. In addition, the principle of conservatism is needed to anticipate any mistakes that can occur during the recognition and measurement of earnings and assets and can help in reducing the

possibility of managers manipulating financial statements. According to LaFond and Watts (2006) conservative financial statements can prevent the existence of information asymmetry by restricting management in manipulating financial statements. On the other hand, accounting conservatism is also considered beneficial to avoid opportunistic behavior of managers in relation to contracts that use financial statements as contract media.

The application of accounting conservatism is influenced by several factors, one of which is financial distress. Financial distress (level of financial difficulties) can be interpreted as an early symptom of bankruptcy due to the decline in financial conditions experienced by a company that encourages managers to set the level of accounting conservatism (Setyaningsih, 2008). Another factor that influences accounting conservatism is growth opportunities, which is the opportunity for companies to increase the amount of investment, would choose to apply accounting conservatism because of lower profit calculations rather than using optimistic accounting with higher profit calculations.

In addition, litigation risk in this study is used as a moderating variable. Litigation risk becomes an external factor because investors and creditors are legally protected parties and in fighting for their rights or interests that party can make lawsuits against the company.

II. Review of Literature

2.1 Positive Accounting Theory (Positive Accounting Theory)

This research is based on positive accounting theory which explains the observed accounting phenomena based on the reasons that cause an event. In other words, this positive accounting theory is intended to explain and predict the consequences that will occur if managers make certain choices. Positive accounting theory is based on the proposition that managers, shareholders, and regulators (politicians) are rational and they seek to maximize their utility, which is directly related to their compensation and prosperity. (Belkaoui, 2011: 85). The freedom that managers have in choosing accounting methods and determining policies will lead to opportunistic behavior. Managers can choose accounting policies that fit their goals.

2.2 Agency Theory

This research is based on agency theory which plays an important role in the company's business practices. This theory arises because of a conflict of interest between the principal and the agent. Principals (company owners) who then contract agents (company managers) to manage the resources in the company. The main purpose of agency theory is to explain how the parties to a contractual relationship can design a contract whose purpose is to minimize costs as a result of asymmetric information. This study uses agency theory because it uses accounting conservatism as the dependent variable reflected in the financial statements so that it can lead to information asymmetry between the manager (agent) and the owner of the company (principal) for his own interests.

2.3 Signaling Theory

Scott (2012 :) states that the signal is an act of corporate management that provides instructions to investors about how management views the company's prospects. The purpose of signal theory will have a good impact on users of financial statements because company managers try to provide information about the opportunities that can be achieved by the company in the future. This research uses signaling theory because it uses accounting

conservatism as a dependent variable that can motivate managers to provide information through financial statements and be able to improve the company's financial performance by applying accounting conservatism.

2.4 Accounting Conservatism

Conservatism as a principle of exclusion or modification in the case that the principle acts as a limit to the presentation of relevant and reliable accounting data (Belkaoui, 2011). This principle assumes when choosing between two or more generally accepted accounting techniques, a preference is aimed at the option that has the most unfavorable impact on shareholder equity. This principle implies that the lowest value of assets and income and the highest value of liabilities and expenses should be chosen to be reported.

a. Financial Distress

Financial distress as a company's inability to pay financial obligations that are past due (Beaver, et al., 2011). Financial difficulties begin when the company cannot meet the payment schedule or when cash flow projections indicate that the company will soon be unable to meet its obligations (Gilrita et al. 2013).

Growth Opportunities

Growth opportunities are companies' opportunities to invest in things that are profitable (Saputra, et al., 2016). Growth Opportunities also indicate the company's ability to develop in the future by utilizing investment opportunities so as to increase the value of the company (Syafi'i, 2011).

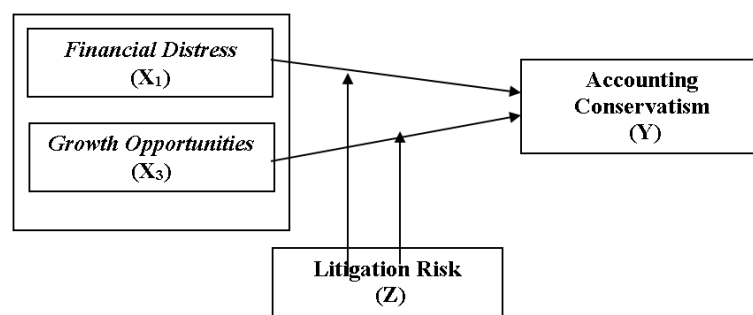
b. Litigation Risk

Litigation risk is defined as the risk inherent in a company that enables the threat of litigation by parties concerned with companies that feel disadvantaged (Utami, 2011). Litigation risks can arise from creditors and investors. Companies that are facing litigation experience a significant decline in value in their companies (Chao and Narayanamoorthy, 2006).

2.5 Concept Framework And Hypotheses

a. Conceptual framework

In summary the conceptual framework explaining financial distress, litigation risk, and growth opportunities influences accounting conservatism with leverage as a moderating variable as shown in Figure 1.



b. Effect of Financial Distress with Accounting Conservatism

Positive accounting theory states that managers will reduce the level of conservatism if the level of corporate financial difficulties is high (Suprihastini and Pusparini, 2007). Aryani (2016) found that financial distress has a significant negative effect on accounting conservatism, the higher financial distress will encourage managers to reduce the level of

accounting conservatism. The results of this study are supported by Ningsih (2013) and Alhayati (2013), where the study found the influence of financial distress with significant negative accounting conservatism. From this explanation the following hypotheses are obtained:

H₁: Financial distress negatively influences accounting conservatism.

c. Effect of Growth Opportunities with Accounting Conservatism

Conservatism tends to develop with companies because there are hidden reserves that are used for investment, a conservative market value of the company is higher than the book value so goodwill will occur. Widya (2004) found a positive influence between growth opportunities on accounting conservatism. From this explanation the following hypotheses are obtained:

H₂: Growth opportunities have a positive effect on accounting conservatism.

d. Effect of litigation risk in Moderating Financial Distress with Accounting Conservatism

Litigation risk as an external factor can encourage managers to report more conservative company finances. In companies that have a high level of litigation risk, will tend to experience financial difficulties that make the company apply the principle of conservatism.

Litigation risk is a risk that has the potential to incur significant costs due to dealing with legal issues. Rationally, a company that is growing and developing will often expand and enter into agreements or contractual agreements that cause litigation risk. This makes the company managers apply the principle of conservatism to reserve funds whenever needed. From this explanation the following hypotheses are obtained:

H₄: Litigation risk as a moderating variable is able to strengthen the relationship between financial distress and accounting conservatism.

H₅: Litigation risk as a moderating variable is able to strengthen the relationship between growth opportunities and accounting conservatism.

III. Research Methods

The population in this study was 147 manufacturing companies listed on the Indonesia Stock Exchange in the period 2015-2017, with purposive sampling so that 102 samples were obtained for 3 years and 306 data observations were obtained.

Accounting conservatism in this study was calculated using the accrual amount developed by Givoly and Hayn (2000) with the following formula:

$$\text{CONNAC} = \frac{(\text{NIO} + \text{DEP} - \text{CFO}) \times (-1)}{\text{TA}}$$

Information:

CONACC : Earnings conservatism based on accrued items

NIO : Operating profit of current year

DEP : Depreciation of fixed assets of current year

CFO : Net amount of cash flow from operating activities of current year

TA: Total Assets

Financial Distress in this study the company's financial condition is measured by using the Altman Z-Score bankruptcy prediction method with a fairly accurate level of certainty with 95% accuracy. With the following formula:

$$Z = 0,717X_1 + 0,847X_2 + 3,107X_3 + 0,420X_4 + 0,998X_5$$

Information :

X₁: Working Capital / Total Assets

X₂: Retained Earnings / Total Assets

X₃: Net Profit / Total Assets

X₄: Total Equity / Total Liabilities

X₅: Sales / Total Assets

It can be seen that X₁, X₂, X₃, X₄, X₅ reflect:

- a. liquidity
- b. company age and cumulative profitability
- c. profitability
- d. financial structure
- e. capital turnover rate

With the delivery zone as follows:

- a. When $Z > 2.99$ = "Safe" Zone
- b. If $1.23 < Z < 2.99$ = "Gray" Zone
- c. When $Z < 1.23$ = Distress Zone

Litigation risk in this study was measured using Debt To Equity Ratio (DER) as a proxy for litigation risk, with the following formula (Fitri, 2015):

$$DER = \frac{\text{total Amount of Debt}}{\text{Total Equity}}$$

Growth opportunities are measured using the market to book value of equity. With the following formula:

$$\text{Market to book value of equity} = \frac{\text{Outstanding share} \times \text{closing price of the stock}}{\text{Total Equity}}$$

IV. Discussion

4.1 Descriptive Statistics

The results of the descriptive analysis obtained are summarized in table 1 below.

Table 1. Descriptive statistics

| Variable | Min | Max | Mean | Std. Deviation |
|----------------------|----------|--------|--------|----------------|
| CONS (Y) | -1.871 | 0.605 | -0.298 | 0.297 |
| FD (X ₁) | -22.118 | 11.243 | 2.768 | 2.576 |
| GO (X ₃) | -1951.38 | 82.265 | -4.669 | 112.245 |
| RL (Z) | -225.045 | 13.977 | 0.282 | 13.089 |

- a. The highest value (max) of accounting conservatism is 0.605 obtained by PT. Akasha Wira International Tbk in 2017, while the lowest value (min) accounting conservatism

of -1,871 obtained by PT. Kedaung Indah Can Tbk in 2015, the value of the standard deviation of accounting conservatism was 0.297 with the mean or average value of accounting conservatism of -0.298.

- b. The highest value (max) of the financial distress variable is 11,243 > 2.9, or categorized as being in a safe zone found at PT. Kimia Farma Tbk in 2015. While the lowest value (min) of financial distress is equal to -22,118 < 1.23, so it is categorized in the distress zone found at PT Intikeramik Alamasri Industri Tbk in 2017. This means .. The value of the standard deviation from financial distress that is equal to 2,576. The mean or average value of financial distress is 2.768, so 1.23 < 2.576 < 2.99, which indicates the average company is in the gray zone, or doubted.
- c. The highest value (max) of growth opportunities is 82.265, this means that growth opportunities or the highest level of growth opportunities occur at PT. Sekawan Intipratama Tbk in 2015. But in 2016, PT. Sekawan Intipratama Tbk experienced growth opportunities or the lowest company growth opportunity with the lowest value (min) of -1951.38. The standard deviation of growth opportunities is 112,245 with a mean or an average value of -4,669.
- d. The highest value (max) of litigation risk is 13,977, this means that the highest level of litigation risk is borne by PT. Merck Sharp Dohme Pharma Tbk year, while the lowest value (min) of litigation risk is -225,045, this means the lowest level of litigation risk is borne by PT. Sekawan Intipratama Tbk in 2016. The value of the standard deviation of litigation risk is 13,809 with a mean or average value of litigation risk of 0.282.

Based on the results of the Hausman test, the probability value is 0.8907 > 0.05, then the estimation model used in this study is the Random Effect Model (REM). In this study the classic assumption test does not need to be done because the chosen model is the Random Effect Model.

The results of the determination coefficient test are presented and the simultaneous test is in the following table.

Table 2. Determination Coefficient Test

| | | | |
|--------------------|-----------|-----------------------|-----------|
| R-squared | 0.441780 | Mean dependent var | -1.392453 |
| Adjusted R-squared | 0.157143 | S.D. dependent var | 0.944829 |
| S.E. of regression | 0.867421 | Akaike info criterion | 2.817837 |
| Sum squared resid | 151.9887 | Schwarz criterion | 4.083369 |
| Log likelihood | -327.1291 | Hannan-Quinn criter. | 3.323967 |
| F-statistic | 1.552083 | Durbin-Watson stat | 3.292418 |
| Prob(F-statistic) | 0.004221 | | |

Source: Results of Eviews Software 10

Based on Table 2, it is known that the coefficient of determination (Adjusted R-squared) of $R^2 = 0.157$. This value can be interpreted that financial distress, litigation risk, and growth opportunities simultaneously or jointly able to influence conservatism by 15.7%, the remaining 84.3% is influenced by other factors beyond the examined variables. F - statistics show the value of prob 0.004221 < 0.05, so that financial distress, litigation risk, and growth opportunities simultaneously (together) have an influence on accounting conservatism.

The results of the statistical t test or partial test are presented in Table 3 below.

Table 3. Partial Test (t Test Statistics)

| Variable | Coefficient | Std. Error | t-Statistic | Prob. |
|----------|-------------|------------|-------------|--------|
| FD | 0.214938 | 0.080635 | 2.665551 | 0.0083 |
| GO | 0.077856 | 0.035802 | 2.174616 | 0.0308 |
| C | -1.615754 | 0.090885 | -17.77803 | 0.0000 |

Source: Results of Eviews Software 10

$$Y = -1.615 + 0.214X_1 + 0.077X_2$$

It is known that the regression coefficient of the financial distress variable is 0.214, which is positive with a Prob value of 0.0083 < 0.05, then the financial distress has a positive and significant effect on conservatism. The regression coefficient value of the litigation risk variable is 0.077, which is positive with a Prob value of 0.0308 < 0.05, then the risk of litigation has a positive and significant effect on conservatism.

4.2 Moderating Variable Test

This study examines whether litigation risk is significant in moderating or in this strengthening or weakening the influence of financial distress and growth opportunities on conservatism as in the following table

Table 4. Interaction Test of Significance of Leverage in Moderating the Effect of Financial Distress on Accounting Conservatism

| Variable | Coefficient | Std. Error | t-Statistic | Prob. |
|----------|-------------|------------|-------------|--------|
| FD | 0.263124 | 0.065431 | 4.021400 | 0.0001 |
| FD*RL | 0.099539 | 0.026615 | 3.739994 | 0.0002 |
| GO | 0.096132 | 0.030163 | 3.187080 | 0.0016 |
| GO*RL | -0.041729 | 0.011125 | -3.750816 | 0.0002 |
| C | -1.608996 | 0.080000 | -20.11255 | 0.0000 |

Based on Table 4, the interaction moderation equation is obtained as follows:

$$Y = -1.608 + 0.263X_1 + 0.096 + 0.099X_1Z - 0.041X_2Z$$

Given the Prob value. at X1Z is 0.0001 > 0.05, with a coefficient value of 0.099, so the risk of litigation is not significant in moderating and strengthening the effect of financial distress on conservatism. The coefficient value of X1Z is -0.066770, so in this case leverage as a moderating variable weakens the effect of financial distress on accounting conservatism. Prob value. at X2Z is 0.0002 > 0.05, with a coefficient value of -0.041, so the risk of litigation is significant in moderating and weakening the effect of growth opportunities on conservatism.

4.3 The Effect of Financial Distress on Accounting Conservatism

Based on the test results show that financial distress has a positive and significant effect on accounting conservatism in manufacturing companies listed on the Indonesia Stock Exchange in the 2015-2016 period, which means that hypothesis 1 was rejected.

The results contradict the positive accounting theory which states that managers will reduce the level of conservatism if the level of corporate financial difficulties is high. But the results of this study, in line with the signal theory that states managers will increase the level of accounting conservatism if the company's financial problems or companies in financial

difficulties and have bad prospects, so that managers give signals by holding conservative accounting.

This result is also supported by research from Kao & Sie (2016), Rizkyka (2017), Sugiarto & Fachrurrozie (2018), and Sulastri & Anna (2018), who found a positive influence between financial distress on accounting conservatism. Companies that experience financial distress will apply the principle of conservatism. Because of the high financial distress will be a pressure on managers, so managers will apply accounting conservatism in the presentation of financial statements to avoid possible conflicts with creditors and shareholders.

4.4 The Effect of Growth Opportunities on Accounting Conservatism

Based on the test results show that growth opportunities have a positive and significant effect on accounting conservatism in manufacturing companies listed on the Indonesia Stock Exchange in the 2015-2016 period, which means that hypothesis 3 is rejected.

The results of this study are in line with positive accounting theory which states that large and growing companies will tend to report earnings conservatively to minimize political costs, such as regulatory demands, labor demands, etc., and avoid tighter supervision from the government in terms of taxes and community demands in terms of social responsibility, because large companies will be more highlighted by external parties than small companies.

The results of this study are also supported by the results of research conducted by Alfian & Sabeni (2012) which states that the company's growth rate has a positive effect on accounting conservatism. However, the results of this study contradict the research of Fathurahmi, et al. (2015), and Susanto & Ramadhani (2016) who found no significant influence between growth opportunities and accounting conservatism.

4.5 The Effect of Litigation Risk in Moderating Financial Distress and Growth Opportunities Against Accounting Conservatism

Based on the interaction test, the results of the study show that litigation risk as a moderating variable strengthens the relationship between financial distress and accounting conservatism. Whereas on the other hand, the risk of litigation weakens the influence of growth opportunities on accounting conservatism in manufacturing companies listed on the Indonesia Stock Exchange in the 2015-2016 period, which means that hypothesis 3 is accepted and hypothesis 4 is rejected.

The higher the level of litigation risk of a company, the stronger the relationship between financial distress and conservatism. According to the data obtained, in companies that experience litigation risk, the level of financial difficulties also increases, so this triggers the company to apply the conservatism principle to reserve funds as an effort to prevent corporate financial difficulties.

On the other hand, the more increased the risk of company litigation, the lower the growth opportunities. This is caused by the contract value that must be paid first rather than expanding and widening the company to avoid the risk that must be borne. In addition, the level of corporate conservatism will also be reduced and the company will apply more optimistic accounting principles to attract investors to invest and get more funds for the company to run its business.

V. Conclusion

Financial distress and growth opportunities partially have a positive and significant effect on accounting conservatism in manufacturing companies listed on the Indonesia Stock Exchange in 2015-2017. Litigation risk as a moderating variable strengthens the influence between financial distress on accounting conservatism, and weakens the effect of growth opportunities on accounting conservatism on manufacturing companies listed on the Indonesia Stock Exchange in 2015-2017.

Suggestions for further researchers, can use other indicators to measure accounting conservatism apart from the calculation of earnings and accruals measures, such as the calculation of net asset measures, or earnings / stock returns relation measures so that they can be used as a comparison material regarding the consistency of proxy use. And further researchers are also expected to be able to add to other factors such as conflicts of interest, type of corporate strategy, political costs, taxes, and other factors that might influence accounting conservatism, as well as add other moderation variables besides litigation risk.

References

- Alfian, A., & Sabeni, A. (2012). Analisis Faktor-Faktor yang Berpengaruh terhadap Pemilihan Konservatisme Akuntansi. *Diponegoro Journal of Accounting*. Volume 2, Nomor 3, 1-10.
- Alhayati, F. (2013). Pengaruh Tingkat Hutang (Leverage) dan Tingkat Kesulitan Keuangan Perusahaan Terhadap Konservatisme Akuntansi.
- Aryani, M. (2016). Pengaruh Leverage dan Financial Distress Terhadap Tingkat Konservatisme Akuntansi. *Artikel Ilmiah Sekolah Tinggi Ilmiah Ekonomi Perbanas Surabaya*, 1-16.
- Beaver, W. H., Correia, M., & McNichols, M. F. (2011). Financial Statement Analysis and the Prediction of Financial Distress. *Foundations and Trends in Accounting*. Vol. 5, No.2, 99-173.
- Belkaoui, R. A. (2011). *Accounting Theory (Teori Akuntansi)*. Edisi Kelima. Buku Satu. Jakarta: Salemba Empat.
- Chao, Z., & Narayanamoorthy, G. (2006). Accounting and Litigation Risk. *Working Paper Series Economics / Strategy*.
- Fathurahmi, A., Sukarmato, E., & Fadilah, S. (2014). Pengaruh Growth Opportunities dan Financial Distress Terhadap Conservatism Accounting pada Perusahaan Textile dan Garmen yang Terdaftar di Bursa Efek Indonesia. *Prosiding Akuntansi*, ISSN : 2460-656.
- Fitri, R. Y. (2015). Pengaruh Risiko Litigasi Terhadap Hubungan Kesulitan Keuangan dan Konflik Kepentingan Dengan Konservatisme Akuntansi. *E-Jurnal. Fakultas Ekonomi Universitas Negeri Padang*. Vol 3, No.1.
- Gilrita, Dzulkirom, M., & Endang, M. G. W. (2015). Analisis Altman (Z-Score) sebagai salah satu cara mengukur potensi kebangkrutan perusahaan (Studi Pada Perusahaan Manufaktur yang Listing di BEI dan Perusahaan Manufaktur yang Delisting dari BEI Periode 2012- 2014). *Jurnal Administrasi Bisnis (JAB)*/Vol. 25 No. 1, 1-9.
- Givoly, D., & Hayn, C. (2000). The Changing Timeliness- Series Properties of Earnings, Cash Flow And Accrual: Has Financial Accounting Become More Conservative? *Journal of Accounting and Economics* 29 Juni, 287-320.

- Kao, H. S., & Sie, P. J. (2016). Accounting Conservatism Trends and Financial Distress: Considering the Endogeneity of the C-Score. *International Journal of Financial Research*. Vol. 7, No. 4, 150 - 167.
- LaFond, R. D. (2008). The information Role of Conservative Financial Statements. *Accounting Review*. Vol. 83, No. 2, 447-478. Retrieved from <http://papers.ssrn.com>
- Ningsih, E. (2013). Pengaruh Tingkat Kesulitan Keuangan Perusahaan dan Risiko Litigasi Terhadap Konservatisme Akuntansi. *E-Jurnal. Fakultas Ekonomi Universitas Negeri Padang Vol. 1, No. 1 Seri: E*.
- Risdiyani, F., & Kusmuriyanto. (2015). Analisis Faktor-Faktor Yang Mempengaruhi Penerapan Konservatisme Akuntansi. *Accounting Analysis Journal Vol.4, No.3*, 1-10.
- Rizkyka, T., Nurhayati, & Fadilah, S. (2017). Pengaruh Risiko Litigasi dan Tingkat Kesulitan Keuangan terhadap Konservatisme Akuntansi. *Prosiding Akuntansi. ISSN: 2460-6561*, (pp. 188-195).
- Saputra, R. E., Kamaliah, & Hariadi (2016). Pengaruh Struktur Kepemilikan Manajerial, Kontrak Hutang, Tingkat Kesulitan Keuangan Perusahaan, Peluang Pertumbuhan, Risiko Litigasi dan Leverage Terhadap Konservatisme Akuntansi (Survey pada Perusahaan Manufaktur yang Terdaftar di BEI). *JOM Fekon, Vol 3 No.1*, 2207-2221.
- Scott, W. R. 2012. *Financial Accounting Theory*. Sixth Edition. Canada: Pearson Prentice Hall.
- Sugiarto, H. V. S., & Fachrurrozie. (2018). The Determinant of Accounting Conservatism on Manufacturing Companies in Indonesia. *Accounting Analysis Journal*, 7(1), 1-9.
- Sulatri, S., & Anna, Y. D. (2018). Pengaruh Financial Distress dan Leverage Terhadap Konservatisme Akuntansi. *AKUISISI | Jurnal Akuntansi, Volume 14 Number 1*, 58 - 68.
- Suprihatini, E., & Pusparini, H. (2007). Pengaruh Tingkat Kesulitan Keuangan dan Tingkat Hutang Perusahaan Terhadap Konservatisme Akuntansi pada Perusahaan Manufaktur yang Terdaftar di Bursa Efek Jakarta Periode 2001-2005. *Jurnal Riset Akuntansi Aksioma*, 6 (1), 80-92.
- Susanto, B., & Ramadhani, T. (2016). Faktor-Faktor yang Memengaruhi Konservatisme (Studi pada Perusahaan Manufaktur yang Terdaftar di BEI 2010-2014). *Jurnal Bisnis dan Ekonomi, Vol. 23 No. 2*, 142-151.
- Syafi'i, I. (2011). Managerial Ownership, Free Cash Flow dan Growth Opportunity terhadap Kebijakan Hutang. *Media Mahardhika Vol.10 No.1*, 1 - 10.
- Utami, R. F. (2011). Influence Risk Of Litigation And The Financial Distress Company's Accounting Conservatism.
- Widya. (2004). Analisis Faktor-Faktor yang Mempengaruhi Pilihan Perusahaan Terhadap Akuntansi Konservatif. *Simposium Nasional Akuntansi VII*. Denpasar.