ABSTRACT

Conservatism is a practice that concern to the lower profit recognition by recognize profit and revenue slowly, make recognition on expense or loss faster, recognize asset lower, and enhances the asses of liability. Some factors that effect to the conservatism, such as: Financial distress, debt level, and corporation size. The purpose of this study is to analize the effects of financial distress, debt level, and corporation size to conservatism.

The population of this study are the banking corporation that listed on BEI during 2010 – 2012, using the purposive sampling method. There are 38 companies that meet the criteria as the sample of this study. The collecting data method is using the documentation. This study is also using the double regression technique analisis.

The result of this study shows that Financial distress has no significant level of effect to conservatism, debt level and corporation size has significant level of effect to conservatism.