The Influence Of Managerial Ownership, Company SizeAnd Leverage of Conservatism Accounting With Profitability As A Moderating Variable In Manufacturing Companies

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ABSTRACT
This study was conducted to analyze the effect of managerial ownership, company size and leverage on accounting conservatism with profitability as a moderating variable in manufacturing companies listed on the IDX in 2019-2021. This research was conducted using quantitative methods using secondary data. The method used in determining the sample is porpusive sampling. Data analysis uses panel data regression analysis methods and moderation regression. The results showed that managerial ownership and leverage have no effecton accounting conservatism. However, company size affects accounting conservatism. The moderating variable,namely profitability, cannot moderate the effect of managerial ownership, company size and leverage inapplying accounting conservatism.

Keywords: *managerial ownership, firm size leverage, accounting conservatism, profitability*

1. INTRODUCTION

Every management in the company must carry out reporting carefully as a form of accountability in carrying out its management. Financial reports are a form of obligation or responsibility of a manager. Because financial reports are crucial for companies that are used to convey information to interested parties such as the government, creditors, investors, suppliers, employees and the public. Then financial reports are also needed in making a decision, besides that it is also to prevent and limit the optimism and excessive attitude of managers and company owners.

With financial reports presented by management, it will be very helpful in the decision making process and useful for viewing the current condition of the company or used as a tool for estimating future conditions. Management is given flexibility in determining accounting methods and estimates that can be used in preparing financial reports. , one of which is accounting conservatism (Noviantari and Ratnadi, 2015) [1]. This principle of conservatism appears to slow down revenue recognition and speed up cost recognition, so that reported profits are too low (understatement) (Juanda, 2007) [2]. Conservatism is applied because accounting uses the accrual basis in forming and presenting a company's financial reports. It is in connection with future uncertainty that managers apply conservatism to anticipate uncertainty in cash inflows and outflows due to the use of the accrual basis in accounting. The application of this principle results in the choice of accounting method aimed at reporting lower profits or assets and reporting higher debts and costs. Many parties have pros and consregarding the concept of conservatism. The pros state that conservatism will be a good thing for preparing financial reports because it prevents exaggeration (overstate) in presenting profits and assets (Hendrianto, 2012) [3]. However, the contra party stated that the concept of conservatism would result in biased financial statements so that it could not be used as a tool for evaluating company risk (Haniati and Fitriany, 2010) [4]. Managers' obligations to improve the welfare of shareholders and also to unite the interests of managers and shareholders often cause problems. Agency problems arise due to the separation of interests between the principal and the agent, where the manager as principal has certain goals such as getting a bonus and tends to report large profits (earnings management actions). To prevent these actions, accounting conservatism is appliedin preparing financial reports. The application of accounting conservatism can reduce the possibility of managers manipulating financial reports and reduce agency costs (Lafond and Watts, 2007) [5].

Practices of deviation from conservatism, such as manipulating financial reports, are common In manufacturing companies, such as what happened to IT FKS Food Sejahtera Tbk or its issuer code AISA, two former directors, namely Joko Mogoginta and Budhi Istanto, manipulated financial reports in 2017 with the aim of increasing the company's share price. In the consideration of the panel of judges, Joko and Budhi, who signedthe financial report and were the parties responsible for this action, were sentenced to 4 years in prison and a fine of Rp. 2 billion each, subsidiary to 3 months. What was manipulated were 6 affiliate distributor companies written as third parties and there was inflated funds (overstatement) receivables from these 6 companies with a value of up to Rp. 1.4 trillion, Hakim Akhmad added that there was an alleged flow of funds from the company amounting to IDR 1.78 trillion to management. From this case it can be seen that there is a lack of application of accounting conservatism. Management was not careful when presenting financial reports, which resulted in overstate receivables indicating low application of the principle of conservatism. Statement from PSAK No. 1 (revised 1998) concerning the presentation of financial statements does not regulate provisions regarding the estimated amount of receivables. There are several ways of estimating receivables and losses and management has the freedom to choose, this freedom is often wrongly used to report company profits or management has the opportunity to manipulate the report. The consequences of manipulating financial statements are very detrimental to shareholders and also violate aspects of protection for capital market investors.

There are many factors that influence management in implementing accounting conservatism such as the number of audit committees, cash flow, litigation risk, managerial ownership, company size, and leverage . But in this study researchers used managerial ownership, company size, leverage and profitability as a moderating variable. Basically the choice of accounting method is also influenced by managers so that managerial ownership determines management's policies and choices for conservative accounting methods. One of the ways used to align the interests of owners and management is to involve management in substantial ownership (Saputra, 2016) [6]. If the manager has rights in the company, he can align the interests of investors and managers because managers will also feel the impact of decisions and profits obtained by investors. Managerial ownership will lead to compatibility of goals between management and shareholders (Wardhani, 2008) [7]. In research conducted by Putra et al., (2019), Ardo, Septian, (2019) and Dewi & Suryanawa, (2014) managerial ownership has a significant positive effect, meaning that if managers have high shares, managers will apply conservative accounting. However, research conducted by El-Haq et al., (2019), Hotimah & Retnani, (2018), and Ursula & Adhivinna, (2018) found that managerial ownership has no effect on accounting conservatism.

In addition to managerial ownership, the size of a company causes costs incurred also getting bigger. Company size is seen from the number of assets owned by the company for the size of a company (Sunarto and Budi, 2009). Application of this principle will reduce the value of earnings in the financial statements Watss and Zimmerman (1990) argue that political cost hypothesis can predict that large companies will be more sensitive regarding political costs. Therefore, the size of a company can influence conservatism in financial reports, this is supported by the results of research by Sari and Adharani (2009) which states that to avoid political costs, profits are reported conservatively. The research results of Ardo, Septian, (2019), Ursula & Adhivinna, (2018) and Noviantari & Ratnadi, (2015) show that company size has a significant or positive effect on accounting conservatism, while the results of research by Haryadi et al., (2020), Firmasari, (2016) and Kalbuana & Yuningsih, (2021) company size has no significant or negative effect on accounting conservatism

Apart from company size which can influence accounting conservatism, according to several previous researchers, the ratio leverage can also influence managers to implement conservative accounting practices. leverage is a ratio that compares how much debt or capital finances the company's assets. Also, ratio leverage used as an indication for lenders (creditors) regarding the level of security for returning funds that have been given to the company (Savitri, 2016) [8]. Therefore, creditors will ask companies to apply the principle of conservatism in reporting profits. Research conducted by Dewi & Suryanawa, (2014), Wahyu Dwi Putra & Fitria Sari, (2020) and Ursula & Adhivinna, (2018) stated that the ratio leverage significant positive effect on accounting conservatism. However, it is different from the results of Noviantari & Ratnadi, (2015), Haryadi et al., (2020) and Firmasari, (2016) which state that leverage negative effect on accounting conservatism. The next factor is the company's ability to generate profits or profitability. Profitability is used as a basis for assessing the condition and performance of the company. Companies that have a high level of profitability tend to apply accounting conservatism so that they can manage profits so that they appear even and do not fluctuate too much.Therefore companies that have high profitability tend to apply conservative accounting in reporting earnings. In research (Yuniasih, 2021) profitability was successfully tested as a moderating variable by strengthening the variable under study.

2. LITERATURE REVIEW

2.1 Theoretical Basis

2.1.1. Agency Theory

Accounting Conservatism Watt (2003) defines conservatism as the principle of prudence in financial reporting where companies do not rush to recognize losses and debts that are likely to occur. The application of this principle results in the choice of accounting method being a method that reports lower profits or assets, and reports higher debt. Managers who use the principle of accounting conservatism, namely recognizing income or profits without haste when they do not contain certainty and recognizing expenses or losses immediately even though they do not contain certainty, will have a more careful attitude regarding existing certainty, so that the certainty that will arise can be achieved. considered.

Managerial ownership Managerial ownership is the percentage of shares owned by managers (commissioners and directors) compared to share ownership by external parties (investors). Ownership of shares by managers gives managers the opportunity to be involved in ownership so that managers and shareholders have an equal position. Because this will reduce the conflicts that occur due to the bonus motive that managers want to obtain, so that maximizing profits to achieve targets is also reduced and will make reporting of earnings tend to be conservative. With large share ownership, managers will certainly be more willing to develop and enlarge the company and apply conservative methods to increase investment.

Company Size Company size is a measurement scale for a company seen from total assets and sales which can indicate the company's financial condition. Company size is only divided into three categories, namely: large companies (large size), medium-sized companies (medium size) and small companies (small size). Large companies have higher profits compared to medium and small companies, therefore large companies will incur large political costs and large risks too.

Leverage leverage is a ratio that describes the relationship between a company's debt to capital, which can see how far the company is financed by debt or external parties and the company's capabilities as described by capital. The relationship that occurs between managers and creditors causes managers to report financial reports optimistically or less conservatively. Therefore, information asymmetry between creditors and managers will be reduced because managers will not hide financial information that may have been manipulated and creditors will ask managers to report conservatively rather than reporting excessive results.\ Profitability Profit can provide a good signal about the company's prospects because the higher the profit achieved, the better the company is. Profitability is a ratio that measures a company's ability to generate net profits based on a certain level of assets (Halim, 2009). The profitability ratio is the ratio to assess the company's ability to seek profit as well as provides a measure of the level of management effectiveness of a company. Companies that produce high profitability will incur high political cost aspects such as large taxes.

2.2 Influence Between Variables

2.2.1. The Influence of Managerial Ownership on Accounting Conservatism

The choice of accounting method will also influence managers, managers must choose accounting methods that are not detrimental and align the interests of managers and shareholders. One of them is accounting conservatism. It is suspected that if managerial ownership is higher, managers will tend to choose conservative accounting. The greater the managerial ownership obtained, the more conservative the manager will be and vice versa, if managerial ownership is low the manager will be less conservative or report higher profits because it will bring profits to himself through commissions. Based on agency theory, the relationship between managers and shareholders is like the relationship between agents and principals. To minimize conflict with the agency is to increase managerial ownership in the company.

2.2.2. The Influence of Company Size on Accounting Conservatism.

Company size is a measure of the size of the assets owned, the bigger the company, the larger the assets owned. Large companies are expected to have large amounts of assets and revenues so as to generate high profits. This triggers managers to reduce profits with the aim of reducing political costs. Companies with a large size tend to apply the principle of accounting conservatism so that the profits generated are not too high to avoid a high tax burden due to high profits (Lo, 2005). Large companies will apply accounting conservatism, because large companies have higher tax rates and companies apply accounting conservatism to report profits with a low value.

2.2.3. Influence Leverage Against Accounting Conservatism

Ratio leverage is the solvency ratio, namely the ratio that shows how much debt is in financing the company's assets (Noviantari & Ratnadi, 2015). In using this ratio it will be profitable for the company if it experiences a high level of profit compared to assets and sources of funds. The higher the loan amount that the company wants to obtain, the company is trying to show good performance. The higher the level of debt or leverage a company, the demand for implementing conservative accounting is increasing because creditors have an interest in the security of the funds that have been provided. In agency theory it is explained that leverage is one of the mechanisms to reduce or minimize agency problems with managers. Ratio leverage This is a form of supervision (monitoring), what this means is that creditors will monitor the manager's performance in using funds.

2.2.4. Profitability Moderates the Effect of Managerial Ownership on Accounting Conservatism

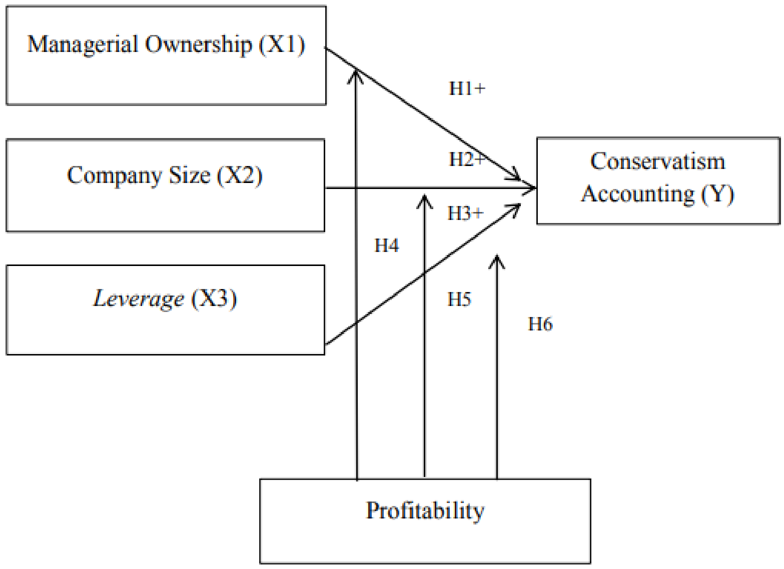
Ownership of shares by managers in the company requires managers to choose appropriate methods does not harm the interests between managers and shareholders. The greater the share ownership owned by the manager, the more conservative it will be. In agency theory, it has been explained how the relationship between the agent and the principal both want to increase the value of the company's shares. The level of a company's ability to increase company profits can also be a reference for the company having high profits. By having high profits the company can convince shareholders that the company has good performance.

2.2.5. Profitability Moderates the Effect of Company Size on Accounting Conservatism

The size of a company is seen from the assets owned by the company. Assets owned are the result of cash inflows, sales and capital invested by shareholders. When the assets owned by the company incur political costs, managers tend to apply accounting conservatism. Political costs include all costs incurred by the company and are responsibilities such as taxes, government subsidies and so on. The higher profitability, the size of the company also increases and managers will also tend to apply accounting conservatism. Because to avoid the political costs incurred.

2.2.6. Profitability Moderating Influence Leverage Against Accounting Conservatism.

This is a ratio that shows how much debt can finance assets. Therefore, to convince creditors, the company must show profit information to reduce the level of creditor doubts. Profitability ratios can be used to describe a company's ability to earn profits, so that creditors are more confident about lending funds to the company. The higher the level leverage So managers tend to apply conservative accounting because creditors have an interest in the funds that have been provided. In research conducted by Nia Yuniasih (2021) stated that leverage The higher it will encourage creditors to be more intense in monitoring profits and cash flow remain stable to pay all liabilities. When ratio leverage the higher the profitability ratios are increasing and managers tend to apply accounting conservatism.



Research Hypothesis

H1 : Managerial ownership has a positive effect on accounting conservatism

H2 : Firm size has a positive effect on accounting conservatism.

H3 : Leverage has a positive effect on accounting conservatism

H4 : The variable of profitability has an impact on moderating managerial ownership to apply conservatism

H5 : The profitability variable has an impact on moderating company size to implement accounting conservatism

H6 : :The variable of profitability has an impact on moderation leverage to implement accounting conservatism

3. RESEARCH METHODS

Which became the object of research is annual report and financial reports. In this research using the variables Managerial Ownership, Company Size, leverage, Accounting Conservatism and also Profitability as moderating variables in manufacturing companies listed on the Indonesia Stock Exchange (IDX) with research years from 2019-2021. The population in this study are all manufacturing companies listed on the Indonesia Stock

Exchange (IDX) in 2019-2021, namely 218 companies. The sample selection technique is porpusive sampling. The data collection technique is a documentation technique. The data used is annual report manufacturing companies listed on the Indonesia Stock Exchange (BEI) 2019-2021.

3.1 Operational Definition of Variable

3.1.1. Dependent variable

Accounting conservatism is the principle of caution in reporting a company's finances recognize losses and debts more quickly and slow down the recognition of revenues and profits in the face of uncertainty in the business. The following are indicators used to measure accounting conservatism (Givoly & Hayn, 2000):

$$\text{CONACC} = \frac{(\text{NIO}+\text{DEP}-\text{CFO})x\,(-1)}{TA}$$

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

3.1.2. Independent Variable

3.1.2.1. Managerial Ownership

Managerial ownership is the percentage of shares owned by management who are actively participating in making company decisions which include commissioners, directors, and employees (Oktadella, 2011). The following are indicators used in measuring managerial ownership (Ursula & Adhivinna, 2018):

$$\text{KM}= \frac{\begin{array}{c}dimilki\ komisaris\\ dan\ direktur\end{array}}{\begin{array}{c}Jumlah\ saham\\ yang\ beredar\end{array}}\ x100\%$$

3.1.2.2. Company Size

Company size is a scale where the size of the company can be classified according to various ways, including: total assets, log sizes , stock market value, etc. (Darmawan et al., 2020). The following are indicators used to measure company size (Noviantari & Ratnadi, 2015):

Size = Log Natural (Total Aktiva)

3.1.2.3. Company Size

Leverage is a ratio used to measure the extent to which a company's assets are financed by debt, meaning how much debt the company bears compared to its assets (Kasmir, 2016). The following are the indicators used in measuring leverage (Cashmere, 2014):

$$Debt\ to\ assets\ ratio = \frac{Total\ debt}{Total\ assets}$$

3.1.3. Moderation Variable

3.1.2.2. Profitability

Profitability is a ratio that measures a company's ability to generate net profits based on certain asset levels (Halim, 2009). The following are the indicators used in measuring (Hanafi & Halim, 2009):

$$\text{ROA}=\frac{Net\ Income}{Total\ asset}\ x\ 100\%$$

4. DISCUSSION

4.1 Research Result

4.1.1. Chow Test Panel Data

4.1.1.1. Regression Analysis

Table1
Chow Test

Effect Test	Statistic	d.f	Prob
Cross-section F	301297088062 119440000000 00000	(93,185)	0.0000.
Cross-section Chi-square	18298.289909	93	0.0000

Based on the test table chow, shows that value probability on test chow of 0.00 more small compared to the significant level (α) 0.05. Therefore H0 is rejected, the decision is that f fixed effect model (FEM) is more precise thancommon effect model (CEM).

4.2 Hausman Test

Table 2
Hausman Test

Correlated Random Effect – Hausman Test

Test Summary	Chi-Sq.Statistic	Chi-Sq d.f	Prob
Cross-section random	0.225804	2	0.8932

4.3 Class Assumpt Test

In this research, classical assumptions were not tested because the research used panel data and the model chosen was Random Effect Model (BRAKE). Melati & Suryowati (2018) mentioned that if in the selection of the model and the selected one is Random Effect Model (REM), then there is no need to perform the classical assumption test.

Due to the estimation model Generalized Least Square (GLS) has been able to overcome heteroscedasticity and autocorrelation. In E- Views, estimation model that uses the GLS method only Random Effect Model, whereas Common Effects Model And Fixed Effect Model use Ordinary Least Square

4.4 Panel Data Regression Analysis

Table 3
Regression Results *Random Effect Model*

Variable	Coefficient	Std. Error	t-Statistic	Prob
XI	1.100035	9.100022	1.210014	1.0000
X2	2.670033	4.4410019	6.040015	1.0000
X3	0.082032	0.0000567	1.447707	0.0000
Y	-3.650039	2.930025	-1.250014	1.0000
Effects Specification				
			S.D	Rho
Cross-section random			0.066900	1.0000
Idiosyncratic-random			6.420016	0.0000
Weight Statistic				
Mean dependent var	5.550015	S.D. dependent var		0.000000
S.E of regression	3.870016	Sum squared resid		4.160029
F-statistic	-9.266667	Durbin-Watson star		0.000000
Prob (F-statistic)	1.000000			
Unweighted Statistic				
Mean dependent var	1.000000	Sum squared resid		1.345412
Durbin-Watson star	0.000000			

Estimated regression test results Random Effect Model (REM), then the panel data regression model is:

$$Y= -3.650039 + 1.100035 (X1) – 0.082032 (X2) - 2.670033 (X3)$$

In the panel data regression model, it can be seen that the resulting constant value is -3.650039, which indicates that if it is assumed that there is no change (up or down) in the variables of managerial ownership, company size and leverage then the value of accounting conservatism variable is -3.650039. The managerial ownership coefficient is 1.100035 with a t-statistic of 1.210014 and a profitability of 1.0000 is greater than 0.05. This shows that managerial ownership has no significant effect on accounting conservatism at a significant 5%. Based on this, it shows that the H1 hypothesis in this study was rejected. The coefficient value of firm size is 0.082032 with a t-statistic of 1.447707 and a profitability value of 0.0000 which is less than 0.05. This shows that managerial ownership has a significant effect on accounting conservatism at a significant 5%. Based on this, it shows that the hypothesis H2 in this study is accepted. Coefficient value leverage amounting to 2.67003 with a t-statistic of 6.040015 and a profitability value of 1.0000 greater than 0.05. It shows that leverage has no significant effect on accounting conservatism at a significant 5%. Based on this, it shows that the hypothesis H2 in this study is accepted.

4.5 Moderation Regression Analysis

Table 4
Moderated Regression Results

Variabel	Coefficient	Std. Error	t-Statistic	Prob.
Y	8.170011	3.500011	2.336008	0.0202
XI	3.924498	1.008652	0.389083	0.6975
Z	2.808908	2.673881	0.105050	0.9164
Y	-6.610040	8.550028	-7.720013	0.0000
X2	0.082800	0.000581	1.425524	1.0000
Z	-1.410032	3.130019	-4.510014	1.0000
Y	5.570014	2.60014	2.140011	0.0332
X3	0.000160	0.000387	0.412187	0.6805
Z	3.870006	2.100005	0.184111	0.8541

Based on the results of the moderation test above using the model Random Effect Model (REM) it can be concluded that:

$$Y= \alpha + 2.808908\ XI\ (3.3.924498) + -1.410032\ X2\ (0.082800) + 3.870006\ X3\ (0.000160)$$

1. The coefficient value on the managerial ownership variable is 2.808908 with a t-statistic value of 0.0105050 and a probability value of 0.9164 greater than 0.05. This indicates that the probability variable is unable to moderate the managerial ownership variable on accounting conservatism.
2. The coefficient value on the company size variable is -1.410032 with a t-statistic value of 4.510014 and a probability value of 1.00000 is greater than 0.05. This indicates that the probability variable is not able to moderate the company size variable on accounting conservatism.
3. Coefficient value on the variable leverage is 3.870006 with a t-statistic value of 0.184111 and a probability value of 0.9164 is greater than 0.05. This indicates that the probability variable is not able to moderate the variable leverage against accounting conservatism.

4.5 Hypothesis Test

4.5.1. Partial Test (T)

Table 5
Hasil Uji Parsial (t)

Variable		Std. Error	t-Statistic	Prob.
X1	1.100035	9.100022	1.210014	1.0000
X2	0.082032	0.000567	1.447707	0.0000
X3	2.670033	4.410019	6.040015	1.0000
Y	-3.650039	2.930025	-1.250014	1.0000

Based on the table above, the results of hypothesis testing are as follows:

1. The significant value of the Managerial Ownership variable is 1.0000 > 0.05 with a value of β1 1.100035 so that H1 is rejected, which means that managerial ownership has no significant positive effect on accounting conservatism.
2. The significant value of the Company Size variable is 0.0000 0.05 with a β3 value of 2.670033 so that H3 is

rejected, which means that managerial ownership has no significant positive effect on accounting conservatism.
3. The significant value of Managerial Ownership variable is 1.0000 > 0.05 with a β3 value of 2.670033 so that H3 is rejected, which means that managerial ownership has no significant positive effect on accounting conservatism.

4.6 Discussion

4.6.1. The Influence of Managerial Ownership on Accounting Conservatism

Based on the results of the hypothesis related to the influence of managerial ownership on accounting conservatism which has been carried out previously, the results show that managerial ownership has no effect on accounting conservatism, so H1 is rejected and it can be concluded that if Managerial Ownership has a positive, insignificant effect on Accounting Conservatism. Management who owns shares in the company has the right to make decisions and also interests. From this, it can encourage management to report large profits so that the profits will also increase. When a company makes large profits, investors will be interested in investing, and management can take advantage of this. These results are in line with research conducted by El-Haq et al.,

4.6.2. The Influence of Company Size on Accounting Conservatism

Based on the results of the hypothesis related to the influence of company size on accounting conservatism which has been carried out previously, the results show that company size has an effect on accounting conservatism. So H2 is accepted and it can be concluded that company size has a significant positive effect on accounting conservatism. Companies with large sizes tend to receive quite large impacts with political costs. Because large companies are very vulnerable to political costs, companies tend to report conservative financial reports. This means that the bigger the company, the management will apply accounting conservatism. These results are in line with research conducted by Ardo, Septian, (2019), Ursula & Adhivinna, (2018) and Noviantari & Ratnadi, (2015) which shows the results that Managerial Ownership has a significant positive effect on Accounting Conservatism. This proves that a company that has large profits and owns a large company will report conservative financial reports.

4.6.3. Influence leverage against Accounting Conservatism

Based on the results of the hypothesis related to influence leverage against accounting conservatism has been done previously showed that result leverage effect on accounting conservatism. so H3 is rejected and it can be concluded that if leverage no significant positive effect on Accounting Conservatism. Greater rights owned by creditors will reduce information asymmetry between creditors and company management. Managers will find it more difficult to manipulate financial reports from creditors. Debt covenant hypothesis states that the level of conservatism in reporting earnings will decrease if you have high debt. Because leverage does not affect accounting conservatism because the company applies this cautious attitude is uncertain and also does not care whether the company experiences high or low debt levels. These results are in line with research conducted by Noviantari & Ratnadi, (2015), Haryadi et al., (2020) and Firmasari, (2016).

4.6.4. The influence of the profitability variable has an impact on moderating the size of the company to apply accounting conservatism

Based on the results of the moderation regression test above, it can be seen that the moderating variable, namely profitability, is not able to moderate the firm size variable to apply accounting conservatism. Large companies have large political costs because they have high profits. And large companies will report sharp financial statements to attract investors, and investors will definitely be interested in investing in these companies because they have high profits. The method of accounting conservatism is the principle that recognizes expenses before profits and large companies definitely do not apply conservative accounting methods because of high profitability. With the company's ability to earn high profits, political costs can be overcome.

4.6.5. The Effect of Profitability Variables Has an Impact on Moderation leverage To Implement Accounting Conservatism

Based on the results of the moderation regression test above, it can be seen that the moderating variable, namely profitability, is not able to moderate the variable leverage to exercise accounting conservatism. Ratio leverage is a ratio that describes the relationship between a company's debt to capital, which can see how far the company is financed by debt or external parties and the company's capabilities as described by capital. With a high level of profitability can provide confidence to investors that the company is able to pay its obligations. The company's ability to earn profits is one way to get investors, because investors can see the company's performance. Management will report earnings in a non-conservative manner. From this explanation it can be seen that a company with high profitability can finance its obligations and does not apply conservative accounting in reporting financial statements.

5. CONCLUSION

1. The managerial ownership variable has no significant positive effect on accounting conservatism in manufacturing companies listed on the Indonesia Stock Exchange in 2019-2021.

2. The company size variable has a significant positive effect on accounting conservatism in manufacturing companies listed on the Indonesia Stock Exchange in 2019-2021.

3. Variable leverage insignificant positive effect on accounting conservatism in manufacturing companies listed on the Indonesian Stock Exchange in 2019-2021.

4. profitability variable is unable to moderate the managerial ownership variable to apply accounting conservatism to manufacturing companies listed on the Indonesia Stock Exchange in 2019-2021.

5. The profitability variable is unable to moderate the company size variable to implement accounting conservatism in manufacturing companies listed on the Indonesian Stock Exchange in 2019-2021

6. The profitability variable is not able to moderate the variable leverage to apply accounting conservatism to manufacturing companies listed on the Indonesian Stock Exchange in 2019-2021

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