

ABSTRACT

THE EFFECT OF COMMISSSIONER'S INDEPENDENCY, MANAGERIAL OWNERSHIP, AND BOARD OF COMMISSIONER'S SIZE AS ONE OF CORPORATE GOVERNANCE MECHANISM TOWARDS ACCOUNTING CONSERVATISM OF THE COMPANY (RESEARCH ON PROPERTY COMPANIES THAT LISTED IN INDONESIA STOCK EXCHANGE)

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The objective of this research is to investigate the effect of board characteristics as one of the corporate governance mechanism towards the conservatism in company's financial reporting. Boards characteristics examine in this research are commissioner's independency, managerial ownership, and board of commissioner's size. This research uses accrual based measure as the measurements of accounting conservatism.

The population of this research are infrastructure and property companies that listed in Indonesia Stock Exchange (BEI) during 2007-2009. The whole sample of this research consists of 14 companies choosen by purposive sampling. Then, the hypothesis was tested by using regression analysis.

The result shows that board of commissioner's size has the significant effect towards accounting conservatism that measured by accrual.

Key words: accounting conservatism with accrual, independency of commissioner, managerial ownership, size of board of commissioner.