

ABSTRACT

THE INFLUENCE OF DEBT DEFAULT, AUDIT QUALITY AND FINANCIAL DISTRESS TO THE ACCEPTANCE OF GOING CONCERN AUDIT OPINION

by

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This study aims to provide empirical evidence of the influence of debt default, audit quality, financial distress, audit lag, and prior opinion on the probability of receiving a going concern opinion. Hypothesis proposed (1) debt default affect the acceptance of going concern audit opinion, (2) audit quality affect the acceptance of going concern audit opinion, (3) financial distress affect the acceptance of going concern audit opinion, (4) audit lag affect the acceptance of going concern audit opinion, (5) prior opinion affect the acceptance of going concern audit opinion.

This study used 13 manufacturing companies listed on the Indonesia Stock Exchange between 2009 to 2013. Data was collected by using a purposive sampling method towards manufacturing companies listed in the Indonesia Stock Exchange. The research data were analyzed with logistic regression analysis.

The results based on logistic regression analyses, indicated that the financial distress and prior opinion affects the acceptance of going concern audit opinion. While the debt default, audit quality and audit lag has no effect on the acceptance of going concern audit opinion.

Keywords : debt default, audit quality, financial distress, prior opinion, audit lag, going concern opinion