

**THE IMPACT OF CONSERVATISM TO EARNINGS QUALITY OF  
LISTED MANUFACTURING COMPANY IN INDONESIA**

**THESIS**

**Presented as Partial Fulfillment of the Requirements for the Degree of Sarjana  
Ekonomi (S1) in Accounting Program Faculty of Economics  
Universitas Atma Jaya Yogyakarta**



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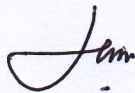
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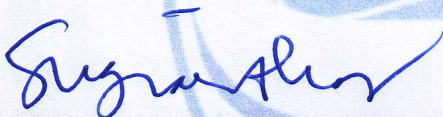
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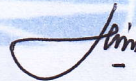
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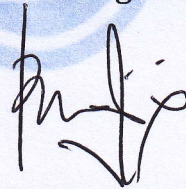
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## **AUTHENTICITY ACKNOWLEDGEMENT**

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### **THE IMPACT OF CONSERVATISM TO EARNINGS QUALITY OF LISTED MANUFACTURING COMPANY IN INDONESIA**

**Is really my own thinking and writing. I fully knowledge that my writings does not contain others' or part(s) of others' writing, except for those that have been cited and mentioned in the bibliography.**

**Yogyakarta, February 12, 2016**



**Melisa Stefani**

## ACKNOWLEDGEMENT

First, I would like to say Thank You to Our Father in Heaven, Lord Jesus Christ for HIS Love and Wisdom that give me the ability to finish this thesis. I could never be of what I am today if it is not because of Your Grace and Mercy.

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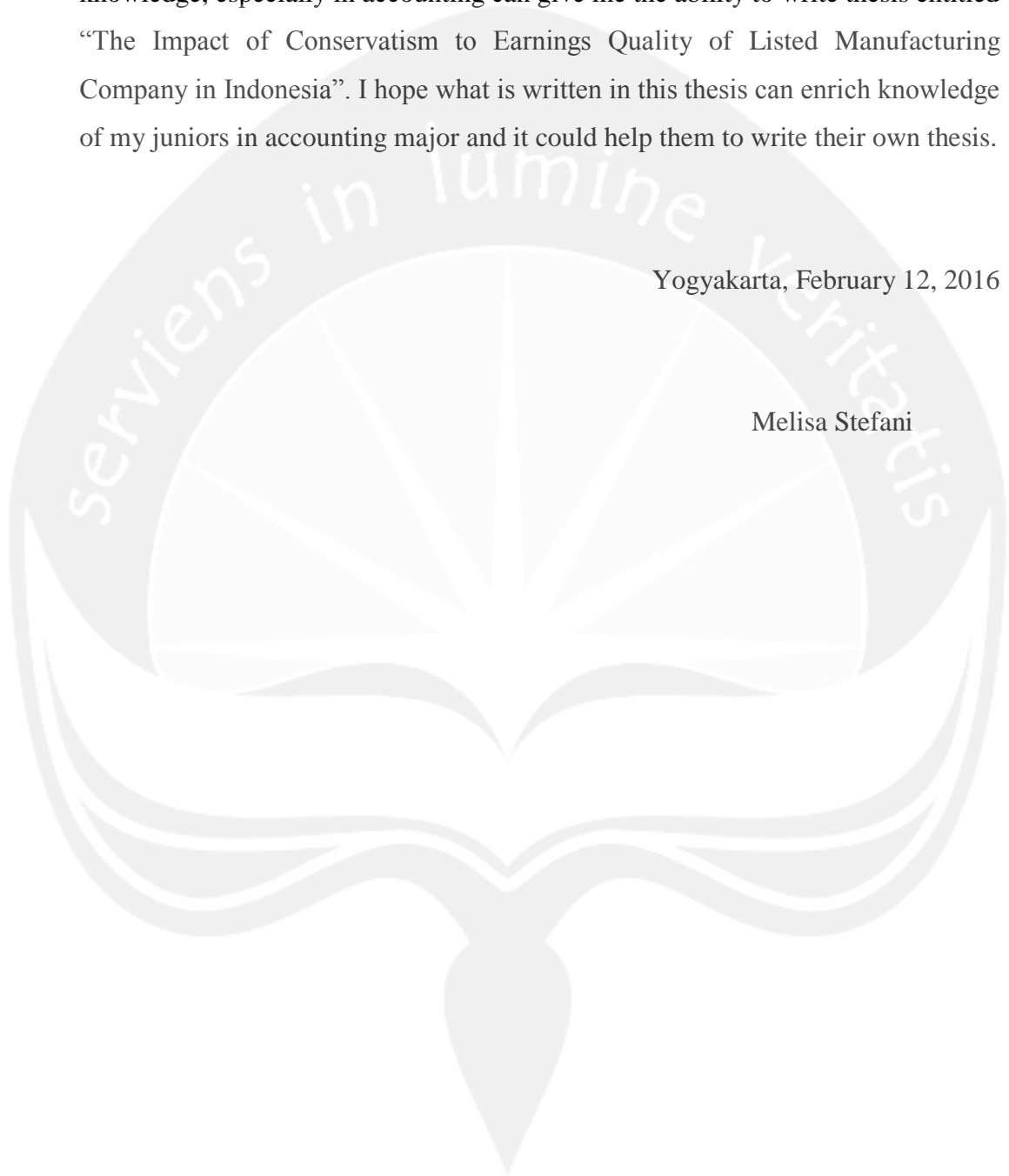
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Yogyakarta, February 12, 2016

Melisa Stefani



## **MOTTO**

I always believe that we have to involve GOD in everything we do.

We need to put our faith in HIM and HE will guide us to achieve our dream no matter what possession, condition, and position we had.

I always remember words from Samuel Beckett, shown below:

**EVER TRIED**

**EVER FAILED**

**NO MATTER**

**TRY AGAIN**

**FAIL AGAIN**

**FAIL BETTER**

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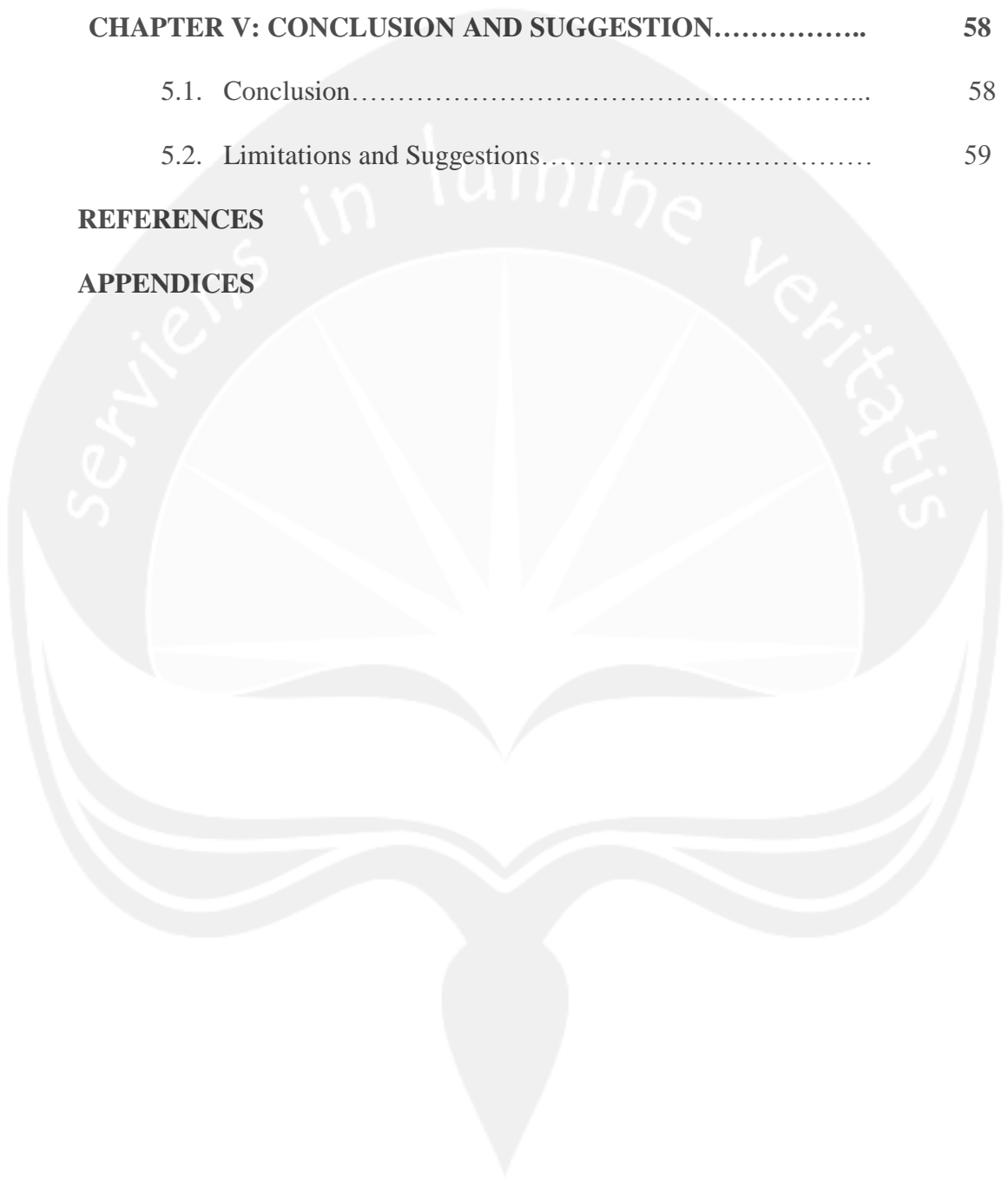


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## **ABSTRACT**

This study aimed to investigate the impact of conservatism to the quality of earnings information. Conservatism is one of accounting topic that become an important issue, as its impact to accounting fieldwork can be positive and negative. While earnings information is crucial information needed for the users to make economic decision. Samples in this study are listed manufacturing companies in Indonesia. Conservatism is the independent variable. Earnings quality as dependent variable will be represented by earnings management.

The result of this study show positive impact of conservatism to earnings quality. Conservatism is proven to increase earnings quality by decreasing the level of earnings management in the company. The result of this study complement previous studies findings.

**Key words:** Conservatism; Earnings Quality; Earnings Management; Market to Book Value; Discretionary Accruals