

Abstract

The number of fraud cases in Indonesia indirectly indicated the low level of conservatism applied by companies in preparing financial reports. This research will find empirical evidence of how the influence of board characteristics as the motor of the implementation of corporate governance to the level of accounting conservatism. Characteristics of the board that will be examined in this study related to the independence of the commissioner, stock ownership by the board, and the existence of audit committees. While accounting conservatism measure, namely the value of accruals and the market value. Type of research used in this research is quantitative. Population in this research is that companies listed on the Indonesia Stock Exchange (IDX). The selected samples are listed manufacturing companies in Indonesia Stock Exchange (IDX) in 2005-2007. Hypothesis to partial and independent variables simultaneously, the independence of the commissioner, stock ownership by the board, and the existence of audit committees affect accounting conservatism, the value of accruals and the market value. Control variables in this study include the institutional ownership, company size, sales growth, leverage, profitability, the holding period return, return, and stock ownership by the public. data analysis technique that is used Partial Least Square (PLS) obtained significance value of each - each variable. Variable independence of commissioners do not have a positive effect on accounting conservatism with a market value. Ownership variables by the board does not have a significant effect on accounting conservatism Accrual value. Ownership variables by the board have a significant effect on accounting conservatism by market value. Variables presence of audit committees do not have a positive impact on the value of accruals accounting conservatism. Variable presence of audit committees do not have a positive effect on market value accounting conservatism

Keywords : board characteristics, corporate governance and accounting conservatism