

## **ABSTRACT**

*Accounting conservatism is a prudent principle in preparing financial statements. Such precautions are implied by acknowledging the costs or losses that will likely occur, but not immediately recognizes future income or profits even if the likelihood of occurrence is great. The principle of accounting conservatism is applied to anticipate the uncertainty that occurs in the company's activities.*

*This study uses telecommunication subsector companies listed on Indonesia Stock Exchange as the population. The sampling technique for this study is using purposive sampling so that 5 companies in 2011-2016 with 30 samples can be observed. And the analyst method used is panel data regression.*

*Based on the results of this research, leverage, company size, managerial ownership and profitability simultaneously have a significant effect on accounting conservatism. While partially the data indicated that leverage has significant effect with negative direction toward accounting conservatism, company size has no effect on accounting conservatism, managerial ownership has no effect on accounting conservatism, and profitability has influence with negative direction toward accounting conservatism. Based on the results of research, for investors, it is suggested that investors should be smart and selective by taking into account the level of leverage and profitability owned by the company. For the regulators, it is advisable to establish standards relating to accounting conservatism how to monitor leverage and profitability levels.*

*Keywords: Accounting Conservatism, Leverage, Company Size, Managerial Ownership, Profitability*