

ABSTRACT

The Basic and Chemical Industry Sector provides a significant contribution to the national economy, because it is considered capable of increasing the added value of domestic raw materials, increasing employment and foreign exchange earnings and judging from the performance, the Basic and Chemical Industry Sector index performance grew by 16, 36% (ytd) which is the highest growth of any other sector.

Going concern audit opinion is an audit opinion about the auditor's doubts on the business life of a company. Going concern audit opinion is very important to give an early warning both for the company to immediately improve it and also for shareholders to avoid mistakes in making decisions related to investment. Going concern audit opinion can be caused by several factors.

This study aims to examine the effect of financial distress, debt default, and return on assets on audit opinion on company acceptance in the Basic and Chemical Industry Sector for the 2015-2019 period, either simultaneously or partially.

The method in this study is a quantitative research method. The sampling technique in this study used a purposive sampling technique and 56 samples were obtained with an observation period of 5 years, so the total sample was 280 samples. The data analysis method used in this study is logistic regression analysis using SPSS version 23 software.

The results of this study indicate that financial distress, debt default and return on assets simultaneously affect the acceptance of going concern audit opinion. Partially, the financial distress variable has no effect on the going concern audit opinion acceptance. The debt default variable has a positive effect on the going concern audit opinion, while the return on assets has a negative effect on the going concern audit opinion.

Keywords: Debt Default, Financial Distress, Going Concern Audit Opinion, and Return on Assets.