# ***ABSTRACT***

*Natasha Tantrabuana / 36150109 / 2018 / Analysis of the Effects of Leverage, Debt Default, Audit Quality, and Profitability on Going-Concern Audit Opinion at Property Company Enlisted in Indonesian Stock Exchange in the period of 2014-2017 / Lecturer: Mulyani, S.E, M.Si*

*Going concern audit opinion is an audit opinion given to companies that have signs of being unable to continue their activities. This opinion is given by an auditor after they conducted a thorough research on the company’s financial report and concluded that the company might not be able to sustain the company for longer than a year. This research is conducted to study the effect of leverage, debt default, audit quality and profitability as a base to give going concern audit opinion to companies.*

*This research is based on agency theory and signaling theory. According to agency theory, an agent is bound in a contract and makes decisions based on principal’s interests, but in doing so there might be a conflict of interest between the agent and the principal, which is where the neutral third-party will be needed. On signaling theory, the manager of the company gives signals to potential investors by spreading news or do certain actions for the progress of the company. The signals might not be believed by the investors, so to verify the information, a neutral third-party is needed.*

*The method used to collect data in this research is observation method. Purposive sampling was used for the collection of the samples. The object of this research is companies on the property sector that are listed on the Indonesian Stock Exchange on the period of 2014-2017. The test was done using logistic regression such as Overall Model Fit, Nagelkerke’s R Square, Hosmer and Lemeshow’s Goodness of Fit Test, Classification Matrix and Interpretation of Estimation Parameters.*

*The results given by the test conducted in the 20th version of SPSS, on the descriptive statistical analysis, shows that auditors gave more non-going concern audit opinions over the course of 2014-2017. Results from the hypothesis testing shows that leverage has significance value of 0,4655 with positive beta value, audit quality has significance value of 0,4985 with negative beta values, debt default with significance value of 0,0025 with positive beta value and profitability with 0,01 siginificance value and negative beta value.*

*This study shows that debt default and profitability have some significance that leads to the going concern audit opinion given by the auditor, with debt default having positive effects and profitability having negative effects. For leverage and audit quality, there are no evidence found that indicates they have any significant impact that leads to going concen audit opinion given by the auditors.*

*Key words: leverage, debt default, audit quality, profitability, going concern audit opinion*