# ABSTRACT

Rahaditya/34150097/2019/The Effect of Profitability, *Leverage*, and Liquidity on Reception of Going Concern Audit Opinion/Advisor: Haitami Abubakar, Drs., M.M, M.Ak.

The survival of a company or *going concern* is something that should be considered by users of financial statements, especially for creditors and investors. Creditors and investors see whether the company can continue its business or not so that they can make a decision to make loans or make investments. However, financial report users cannot easily judge a company survivability. That is where the auditor takes part as an intermediary for users of financial statements to give their opinion so that users of financial statements can easily see whether the company still can survive. This research was conducted to determine whether profitability, *leverage*, and liquidity can affect the acceptance of *going concern* audit opinion.

The theory underlying this research is agency theory and signaling theory. *Going concern* audit opinion becomes the dependent variable in this study. While the independent variables are profitability as measured by Return on Assets ratio, *leverage* as measured by Debt to Assets Ratio, and liquidity as measured by Current Ratio. The research hypothesis is that profitability and liquidity have a negative effect, and *leverage* has a positive effect on the acceptance of going-concern audit opinion***.***

The object of research in this study is manufacturing companies listed on the Indonesia Stock Exchange (IDX) in the period of 2015-2017. The number of samples taken is 27 companies, so that there are 42 observation data this study was conducted using logistic regression methods processed with the help of SPSS 20 application.

The results of the pooling test state that research can be carried out simultaneously. The results of the overall model assessment indicate that the hypothesized model has been fit with the data. The coefficient of determination shows the number 0.450 which means that the dependent variable variability can be explained by the independent variable is 45.0%, and also the results of the feasibility test of the regression model indicate that the model is said to be feasible. The results of testing the logistic regression model show the significance value of profitability of 0.933, the significance value of leverage is 0.025, and the significance value of liquidity is 0.145.

The conclusion of this study shows that there is not enough evidence that profitability and liquidity influence the reception of going-concern audit opinion, whereas there is enough evidence that *leverage* has a significant effect on the reception of *going concern* audit opinion.

*Keywords: Going concern audit opinion, profitability, leverage, liquidity*