

ABSTRACT

This study examines the relationship between accounting conservatism, stock price crash risk, managerial ownership, and leverage. Motivated by the important role of capital markets in the modern economy and the risk due to potential stock price crashes, this study aims to analyze the effect of accounting conservatism on stock price crash risk as well as the moderating role of managerial ownership and leverage.

The population of this study includes manufacturing companies listed on the Indonesia Stock Exchange (IDX) during the 2020-2022 period and the sample was taken using purposive sampling method. Data were analyzed using multiple regression analysis to test the hypothesis and determine the relationship between the variables studied.

This study found that accounting conservatism has no significant effect in reducing stock price crash risk. Managerial ownership and leverage are proved to significantly moderate the effect of accounting conservatism on stock price crash risk. The results of this study provide new insights into the complexity of the relationship between accounting conservatism, stock price crash risk, managerial ownership, and leverage and provide important implications for investors and managers in risk management strategies.

Keywords : accounting conservatism, stock price crash risk, managerial ownership, leverage

