

ABSTRACT

Going concern audit opinion accepted by a company represents the condition and events which arises auditors hesitation of the companys going concern. Going concern audit opinion can be used as early warning to the user of financial statements in order to prevent mistakes on decision making. A number of research has been conducted concerning factors that influence to going concern audit opinion. Yet, its result keeps showing inconsistency. This study objective is to reinvestigate factors that influence going concern audit opinion. The factors used on this research focusing more on factors debt default and financial distress.

This research aims to determine the influence of debt default and financial distress towards going concern audit opinion. This research using sample of manufacturing companies listed on Indonesia Stock Exchange during period 2009-2013. Based on purposive sampling, there are 13 manufacturing companies which fulfilled the sample requirements. Hypotesis testing on this research was done by the logistic regression analysis.

The hypotesis testing in partially showed that debt default has significant effect towards going concern audit opinion. While financial distress has no significant effect towards going concern audit opinion, but with negative coefficient direction it means that the smaller value of Zscore the greater issuance of going concern audit opinion. Based on the results hypotesis testing in simultaneously showed that debt default and financial distress have significant effect on going concern audit opinion.

Key Words : Debt Default, Financial Distress, Going Concern Audit Opinion.