

ABSTRACT

This study aims to examine the impact of accrual quality on the cost of debt. The dependent variable used in this study is cost of debt and the independent variable used in this study is accrual quality. This study also analyze the different impact of innate accrual quality and discretionary accrual quality on the cost of debt.

The population in this study is manufacturing companies listed on the Indonesia Stock Exchange in 2015-2022. Purposive sampling is used to as the sampling method. Total sample which is used in this study is 280 that consisted 35 companies for 8 years. The test analysis used panel data regression to examine accrual quality on the cost of debt.

The results show that accrual quality have a negative significant impact on the cost of debt. Furthermore, both of accrual quality component, innate accrual quality and discretionary accrual quality, has a significant negative impact with the cost of debt, with larger impact of the discretionary component than the innate component.

Keywords: cost of debt, accrual quality, discretionary accrual quality, innate accrual quality