

ABSTRACT

This study aims to analyze the moderation model of financial condition and the quality of corporate governance in the relationship between accrual profit management and real profit management to debt choice which refers to the proportion of bank debt. This research makes an important empirical contribution, as there is a limited number of studies that examine the role of moderation of financial condition and the quality of corporate governance simultaneously in the relationship between accrual and real profit management to the proportion of bank debt. A quantitative approach was used in this study, with the Formative SEM-PLS model to test a total of 446 research samples that had been selected with certain criteria from 885 non-financial company populations listed on the Indonesia Stock Exchange in 2020-2024. The test results showed that real profit management had a positive effect on the proportion of bank debt and financial condition strengthened the positive relationship of real profit management to the proportion of bank debt, but the quality of corporate governance was unable to moderate the relationship. The results of further testing showed that accrual profit management did not have a positive effect on the proportion of bank debt and that the relationship could not be moderated by financial conditions and the quality of corporate governance.

Keywords: Debt Choice, Bank Debt Ratio, Accrual Profit Management, Real Profit Management, Financial Condition, Quality Corporate Governance

