

ABSTRACT

Research about relationship between audit quality and cost of debt has been extensively researched. Proxy to measure audit quality are different between one and another research. This study will concern more on relationship between auditor industry expertise dan audit committee on company to cost of debt that a company will receive.

This research aims to obtain empirical evidence and analyze the impact of a company with auditor industry expertise and audit committee in a company to cost of debt. The type of company and time range used in this research is manufacturing company from year 2014 until 2016. The type of data used in this research is secondary data obtained from the financial statements of manufacturing companies listed in Indonesia Stock Exchange (BEI).

The result from this research shows that only the first hypotheses received from 124 sample companies and 372 data. A company with auditor industri expertise show a significant results to cost of debt on a company that use auditor expertise. Variable audit committee doesn't have a significant effect on cost of debt.

Keywords : *Audit Quality, Auditor Industry Expertise, Audit Committee, Cost of Debt*