Mapping of Measurement Accounting Conservatism and Research Opportunity -A Systematic Review

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ABSTRACT

This paper reviews the field of accounting conservatism measurement and the development of research on accounting conservatism measurement, so it is useful to develop insight into the emerging accounting conservatism measurement and outline future research opportunities. This is because research on accounting conservatism uses various measurements. The research method used is a qualitative method systematic literature review approach based on 22 research articles for the period 1999-2022. The research method includes attribute dimensions, data collection techniques and data analysis. The results found that there are three bases for measuring accounting conservatism, namely: accrual-based, market value-based and combined accrual and market value-based. Until now, the use of combined accrual and market value-based measurement dominates, compared to accrual and market value-based. This study found the most widely used accounting conservatism measurement and accounting conservatism measurement trends, while previous studies have not provided an explanation of this. So that future research can analyze why these measurements were used by previous researchers. This research can contribute to the science of financial accounting, especially related to the topic of accounting conservatism.

PRELIMINARY

Financial statements are tools to obtain company financial information which is used by internal and external parties of the company as information for decision-making. In addition, financial statements can also assess the company's ability to meet both short-term and long-term liabilities, the capital structure owned by the company, the distribution and effectiveness of the use of assets, income, and expenses as well as the book value of the company's shares. Based on this, company management is given flexibility in choosing its accounting methods, one of which is by applying the principle of accounting conservatism (Kusamadewi, 2018).

The need for the implementation of the accounting conservatism principle is because in general companies are using the accrual basis in presenting financial statements. The use of this accrual basis causes the recording of transaction values to allow data on the entry and exit of money in the future due to past or present transactions. Because of the uncertainty in the future due to the use of the accrual basis, the company anticipates it by applying accounting conservatism.

Based on the Statement of Financial Accounting Concept (SFAC No. 2), the Financial Accounting Standard Board (FASB) states that conservatism is a sensible response to uncertainty in order to make sure that risks and uncertainties in a firm have been taken into account. Accounting conservatism is the principled and responsible response to future uncertainty in its realization by delaying revenue recognition, accelerating expense recognition, lowering asset valuation, and increasing debt valuation with the goal of reducing management and business owners' excessive optimism.

According to the conservative accounting concept, costs and liabilities should be recorded as soon as possible, even if the outcome is still unknown, while assets and income should only be recorded after it is assured that they will be paid. The idea of conservatism is used to counteract management's overly optimistic portrayal of its financial outcomes. When the idea of conservatism is used, profits will fluctuate, which can lower earnings' ability to anticipate future cash flow (Andreas et al., 2017).

Quality financial statements are important for users when making decisions. The quality of financial statements has been regulated in PSAK Chapter 3, paragraph 3.04, concerning Qualitative Characteristics of Useful Financial Information. For information to be useful, it must have fundamental qualitative characteristics and enhance qualitative characteristics. The fundamental qualitative characteristic is that financial information must be relevant and accurate. Relevant financial information is able to make a difference to users' decisions if it has predictive value, confirmatory value, or both. Information and attention to materiality Financial information represents economic phenomena in numbers and words, so it must be complete, neutral, and error-free (accurate). While the enhancing qualitative characteristics consist of comparability, verifiability, timeliness, and understandability. These can help in determining which of two ways to describe a phenomenon if both are considered equally relevant and appropriately presented. These qualitative characteristics underlie conservatism in accounting because accountants can choose the most appropriate accounting method to present economic phenomena in the financial statements.

In Indonesia, research on conservatism is proven not to disappear even though IFRS does not apply conservatism.(Prayanthi & Pantow, 2018). The results of research on companies listed on the IDX found that the size of the board of directors and the board of commissioners, the board of directors of the female board of commissioners affects accounting conservatism(Witono et al., 2022).

It has been controlled for revenue recognition and cost recognition, much as PSAK. This is a method of using accounting conservatism, which is the practice of recognizing revenue, profits, and assets more slowly while recognizing costs, debts, and losses more rapidly in order to display financial information more carefully.

The idea of conservatism is used to counteract management's overly optimistic portrayal of its financial outcomes. When the idea of conservatism is used, profits will fluctuate, which can lower earnings' ability to anticipate future cash flow (Andreas et al., 2017). According to Watts (2003) in Ahmed & Duellman(2011), accounting conservatism is helpful in preventing managers' opportunistic conduct in relation to contracts that employ financial statements as a medium.

Information that might aid in company evaluation for investment objectives is of interest to investors (Barth, 2000). In order for this to become a concern for accountants. Accountants require a presentation plan for financial statements in order to preserve corporate value for the benefit of investors, who are occasionally naive and occasionally dishonest.

The description above indicates that accountants are faced with the problem of valuing numbers in financial statements. Accountants face problems and must solve them based on their best judgment about accounting practices and accounting reporting. Therefore, research on accounting conservatism is still very relevant.

But up until now, there hasn't been a standard way to quantify accounting conservatism in past studies. A discounted residual income model is used by Bauman(1999) to show an accounting-based valuation that adheres to accounting conservatism. The average of the last three years' worth of the Discretionary Accrual Constant score was employed by Anagnostopoulou et al.(2021) expressed in the form of asymmetric timeliness of recognition of economic gains and losses, and corporate social responsibility (CSR as a proxy for accounting conservatism. Liu & Zhang(2021)243 listed firms and 9,950 firm-year observations for the period of 2008–2017, this study employs piecewise cross-sectional regression models with year and industry fixed effects to examine the associations proposed in the research hypotheses. Findings: This study finds a positive relationship between the adoption of EIPs and accounting conservatism in listed Chinese firms. Further analyses reveal that this positive relationship is more pronounced when listed Chinese firms use restricted stock units (RSUs quantify accounting conservatism based on total accruals, while Chen et al.(2010) calculates conservatism using a linear connection between accruals and recent cash flows.

In contrast to Beaver & Ryan(2000), the book-to-market (BTM) ratio is regressed in order to experimentally quantify the bias and lag components of accounting conservatism. García Lara et al(2014) modified the Basu (1997) model to produce a firm-level measure of the timeliness of earnings for Good News (G_Score) and the incremental timeliness of Bad News with respect to Good News (C_Score), which is the main proxy for conservatism based on Khan & Watts(2009). Most recently, Khalifa et al(2022) employed conditional conservatism and Basu's (1997) regression based on market value to quantify conservatism. Therefore, it is crucial to conduct this study in order to learn which techniques are most frequently employed in accounting conservatism measurement and to collect proof of their relevance in decision-making. So, the main problems in this study are :

1. What are the study areas for accounting conservatism?
2. How to measure accounting conservatism?

The approach used in this research is qualitative. The results of this study show how the development of the use of accounting measurements has moved based on the results of previous research. The researcher argues that accounting conservatism measurement research shows a trend toward using a combination of accrual-based and market-based methods. This research can contribute to the science of accounting, especially related to the topic of accounting conservatism, and its practical contribution can be used by management in choosing the most appropriate measurement method for the company.

RESEARCH METHODS

This study's methodology combines a qualitative approach with a methodical approach to literature evaluation. This strategy was chosen because it enables research output to be focused and synthesized on particular problems utilizing organized, understandable, and reproducible techniques (Linnenluecke et al., 2015). Additionally, this technique offers a better level of research rigor when compared to a narrative literature review (Snyder, 2019). It briefly entails techniques for data gathering, data analysis, and attribute dimensions.

Dimension Attributes

Determine the attributes of accounting conservatism, consisting of accounting conservatism classification, accounting conservatism measurement, and accounting conservatism research topics. There are two classifications of accounting conservatism according to Beaver & Ryan(2000), namely conditional accounting conservatism and unconditional

accounting conservatism. Measurement of accounting conservatism According to Ahmed & Duellman(2013), there are two alternative measures of conservatism: (1) market-based measures based on Basu's (1997) model and (2) accrual-based measures based on Givoly et al(2007). The research topic of accounting conservatism is a research theme that has been carried out in previous research.

Collecting Data

This research information is presented in the form of publications that have been published on Google Scholar using the term "measurement of accounting conservatism" and with the help of Publish Or Perish. Empirical research publications were chosen as the exclusion criteria. The inclusion criteria were applied when choosing articles. 22 publications were found after applying the inclusion criterion to open-access papers that were published between 1999 and 2022

.Data Analysis Procedure

The papers were then thoroughly studied to identify any issues with the study. Using an Excel application, data analysis methods were carried out by tabulating. Afterward, descriptive statistics were used to examine the data based on the publication year, author, and study findings. Percentages are used as descriptive statistics. With the aid of the VoS Viewer program, the researcher also combined the findings of earlier analyses in accordance with the study goals.

RESULT AND DISCUSSION

Research Topics Accounting conservatism

Research on accounting conservatism may be based on kinds of accounting conservatism, information asymmetry, or profits. Figure 1 of the findings from the VoS Viewer on the study of accounting conservatism is shown below.

Figure 1: Results of VoS Viewer Network Topic Accounting Conservatism
Source: research data processed 2023

The research areas of accounting conservatism may be categorized into five on the basis of Figure 1 above. Topics connected to standards and debtholders, such as those relating to IFRS adoption, accounting standards, owner structure, and debt contracts, are highlighted in red in the accounting conservatism chart. The color green is associated

with management. For instance, discussions about auditors, growth, financial reporting, and financial statements, as well as investment efficiency, The classification of unconditional or conditional accounting conservatism types and revenue (earnings) are related to the color blue. The brown color of accounting conservatism issues refers to

the director and the justifications for employing it, whereas the yellow color of accounting conservatism topics pertains to the principles of accounting conservatism.

Based on the analysis of accounting conservatism research topics, the following future research opportunities are useful for future research based on the following VoS viewer results
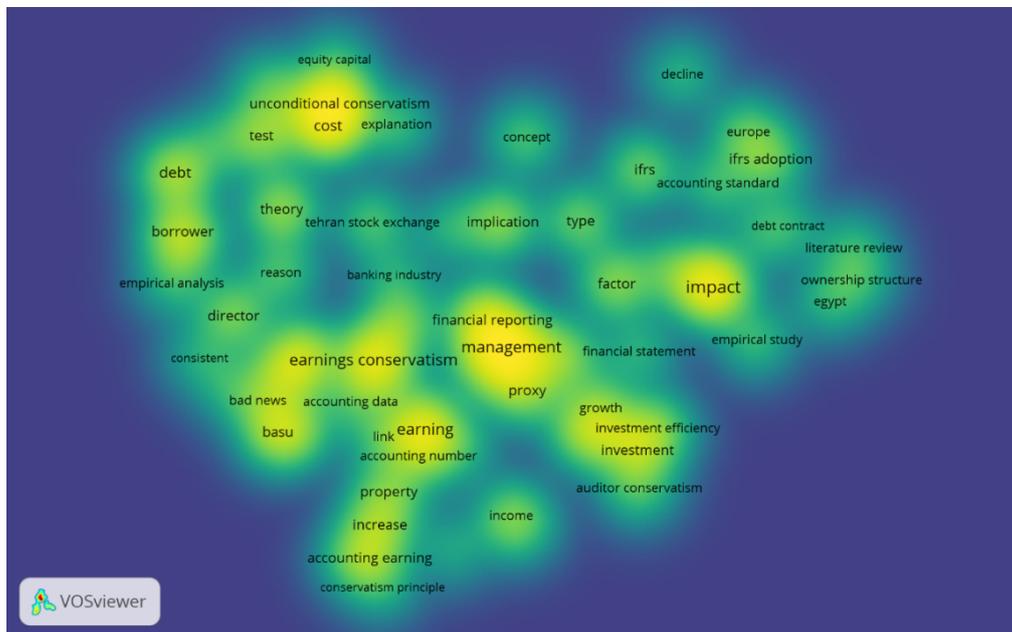
Figure 2: VoS Viewer Density Results of Accounting Conservatism Research Topic
Source: research data processed 2023

The research on accounting conservatism has been extensively conducted, as seen in Figure 2 above. Even though accounting conservatism is a research issue, there hasn't been much done to make it a potential area for future study. The subject of accounting conservatism in relation to earnings, financial reporting, borrowers, or debt has been extensively studied in the past. The adoption of accounting standards in empirical research, owner structure, auditors, and debt contracts are research areas that present prospects for further study. As a result, future studies can broaden their scope to include themes like how corporate governance influences the use of accounting conservatism or modifications to accounting rules that currently employ the fair value foundation.

Classification and Measurement of Accounting Conservatism

Beaver & Ryan(2000) classify two types of accounting conservatism, namely unconditional accounting conservatism and conditional accounting conservatism. However, many studies do not use this type of classification, so they call it accounting conservatism. Previous research divides accounting conservatism measurement into two categories: accrual-based and market value-based. The following classification is based on the results of previous research:

1. Accounting Conservatism based on Accruals

Some studies that use the accrual basis include Bauman(1999). The study examined the role of conservatism in accounting-based valuation, illustrated through a discounted residual income model. The findings of the study are that conservatism inherent in GAAP includes fixed asset life and R&D intensity, which are most economically significant as sources of conservatism. While the LIFO method, deferred tax, and operating lease have no effect, Beaver & Ryan(2000) analyzed the findings of Ahmed, Morton, and Schafer (AMS) in testing the theoretical prediction of Fettham and Ohlson (FO, 1996) that (greater) accounting conservatism implies that operating assets should be (more) positively related both to future abnormal earnings in the FO information dynamic and to unrecognized goodwill in the FO valuation model (Fettham and Ohlson, 1996). The results of Beaver & Ryan(2000) study found that, based on Fettham and Ohlson (FO, 1996), there are four

proxies for conservatism: the estimated accounting depreciation rate, the ratio of R&D expenses to sales, the ratio of advertising expenses to sales, and a dummy variable for the LIFO inventory method.

Research was done on all North American Compustat non-financial and non-utility enterprises by Anagnostopoulou et al(2021) expressed in the form of asymmetric timeliness of recognition of economic gains and losses, and corporate social responsibility (CSR. Proxy accounting conservatism is calculated by averaging the Accrual Discretionary Constant's most recent three-year score. Chen et al(2010) investigated the association between accounting conservatism and borrower (business) and lender (bank) nation ownership for a sample of Chinese enterprises. They assess conservatism using a linear connection between accruals and cash flows, following Ball & Shivakumar(2006)or conditional conservatism. Kanagaretnam et al(2014) investigated the idea that cultural influences affect banks' levels of accounting conservatism and risk-taking. Following Ball & Shivakumar(2006)or conditional conservatism and Nichols et al,2009 in Kanagaretnam et al., 2014) these researchers developed a model of accounting conservatism based on aggregate profits, which is the change in net income.

Another study that uses an accrual basis is Mohammed et al(2017). These researchers measure accounting conservatism according to Roychowdhury and Watts (2007), namely the comparison of income before cumulative extraordinary items from a particular year with the market value of equity at the beginning of the year. Research conducted by Liu & Zhang(2021)243 listed firms and 9,950 firm-year observations for the period of 2008–2017, this study employs piecewise cross-sectional regression models with year and industry fixed effects to examine the associations proposed in the research hypotheses. Findings: This study finds a positive relationship between the adoption of EIPs and accounting conservatism in listed Chinese firms. Further analyses reveal that this positive relationship is more pronounced when listed Chinese firms use restricted stock units (RSUs on companies listed in China that are listed as financial companies and companies with governance data available on the China Stock Market and Accounting Research (CSMAR) measures accounting conservatism based on Total Accrual.

2. Accounting Conservatism Based On Market Value

Market value was employed in some earlier research to gauge accounting conservatism. One of them is Beaver & Ryan(2000), who claim that accounting conservatism is a difference between the book value of assets and their market value that is driven by two factors, namely biased accounting recognition and lagging accounting recognition. Regressing the book-to-market (BTM) ratio is an empirical method for determining the biased and lag components.

Ball et al.(2013) looked at the relationship between market, political, and institutional factors and conditional conservatism, which is defined as the asymmetric accounting recognition of economic shocks (or "news""). The study goal of Ball et al(2013) is to examine the measure's validity within the framework of an accounting income model that includes several forms of information with various delays. The results showed that Basu's incremental coefficient on negative returns reflects the presence of conditional conservatism in accounting earnings.

Furthermore, Lara et al(2014)we further argue that increases in conservatism improve the firm information environment and lead to subsequent decreases in information asymmetries between firm insiders and outsiders. We predict and test if this decrease in information asymmetries manifests itself through: (a investigated the information effects of conservatism in accounting in the US using 63,579 firm-year data as the primary sample for the observation period of 1977–2007. According to this study, a rise in conservatism may enhance the corporate information environment and result in a reduction in the information gap between insiders and outsiders. Based on Khan & Watts(2009), the researcher utilized conservatism as its primary proxy. In order to provide a firm-level measure of the timeliness of profits for Good News (G_Score) and the incremental timeliness of Bad News with regard to Good News (C_Score), Khan & Watts(2009) adapted Basu's (1997) model. The ratio of market value to book equity, or the natural log of market value of equity (MTB), is used as the measurement. Like Khalifa et al., (2022), they measure conservatism using Basu's (1997) regression based on market value and conditional conservatism.

3. Accounting Conservatism based on Both Acruals and Market Value

According to the study's findings, a number of academics combine market value-based assessments with accrual-based data to quantify accounting conservatism. The academics who follow combine market value with accrual-based accounting conservatism. Barth (2000) put the Ohlson valuation model to the test Ohlson (1995) created an accounting-based model that takes into consideration Book Value of Equity (BVE) and net income (NI) as important factors when valuing a firm. Ohlson's methodology therefore establishes a clear connection between accounting quantities and business value. In addition to establishing a clear link between accounting numbers and business value, this approach provides benefits. Instead of depending on market pricing, as in many other valuation studies now in existence, this research demonstrates how to estimate business value using accounting numbers.

As a result, the model offers a different value benchmark for study in valuation-based accounting. In 2007, Givoly et al(2007)"ISSN":"00014826","abstract":"The paper examines the power and reliability of the differential timeliness (DT describe how earnings, cash flows, and accruals have changed over the last 40 years. Numerous metrics for reporting conservatism were found and looked at, as there isn't one definition of conservatism that is widely acknowledged. The findings demonstrated that the buildup of non-operating accruals and the timing of earnings with respect to the market-to-book ratio (BTM) are two examples of accounting conservatism. T h e study, Ahmed & Duellman(2011) looked at how accounting conservatism influences how managers oversee their investment choices. Since Basu's model only adequately captures conservatism during the estimation period, Roychowdhury and Watts,2007, in (Ahmed & Duellman, 2011b) use two additional proxies for conservatism in the test. The first proxy is an asymmetric timeliness proxy based on Basu (1997), which is estimated using the backward cumulation procedure in Roychowdhury and Watts(2007). The second proxy for conservatism is the industry-adjusted book-to-market ratio (multiplied by a negative one). Intuitively, conservative accounting results in reduced book value relative to market value. The book-to-market ratio also shows the overall impact of conservatism since the company's founding.

Furthermore, Yunos et al(2012) empirically tested the relationship between two ethnic groups: Bumiputera directors (native citizens) and Chinese directors, on the incidence of accounting conservatism in 300 companies in Malaysia. The study used two regression models to test the relationship between ethnicity and conservatism. Both regression models represent two measures of conservatism: Model 1 is asymmetric timeliness introduced by Basu (1997), and Model 2 is accrual-based conservatism proposed by Givoly & Hayn(2000) Both models are appropriate measures of ex-post conservatism, also known as earnings conservatism, which is relevant in relation to contractual issues. Kim et al(2013)"ISSN":"00014826","abstract":"Using seasoned equity offerings (SEOs measures accounting conservatism by using a composite measure that takes the average rank for each individual measure. The first measure, C_Score, was developed by Khan and Watts (2009). C_Score builds on Basu's (1997) asymmetric timeliness measure by estimating C_Score for each firm year using a cross-sectional approach based on size, leverage, and market-to-book ratio. The average non-operating accruals scaled by total assets for the five-year period ending in the year before the SEO announcement make up the second conservatism metric, Consv_Accruals (Givoly & Hayn, 2000); (Ahmed,et al 2002); (Ahmed & Duellman, 2011a) (Ahmed & Duellman, 2013). The difference between the skewness of cash flow from operations and the skewness of profits before unusual items is used to produce the third conservatism metric, Consv_Skewness.

Heflin et al(2015) provide evidence that conditional conservatism reduces the usefulness of GAAP-based earnings for valuation by investors. They use three measures of conditional conservatism. First, use firm-specific earning return regressions based on Compustat's GAAP profits per share in accordance with Basu (1997). By averaging CONSV_CSCOREi,q across each firm's quarters, we can determine CONSV_CSCOREi. More conservative values for CONSV_CSCOREi and, following Givoly and Hayn (2000), CONSV_ NEGSKEWi, which is the skewness of profits (earnings before exceptional items) less the skewness

of net operating cash flow, are indicative of higher conservatism. The researcher also combined these three individual measures of conservatism into an aggregate summary measure, thus summarizing CONSERVATISM as equal to the average rating of the three individual measures.

Ho et al(2015) study on CEO gender, ethical leadership, and accounting conservatism in American financial organizations. These scientists employ Proxi Net income, accruals before depreciation, and net income (Basu, 1997) are all affected by accounting conservatism, according to Givoly & Hayn(2000). Given that they based the measurement on a linear mix of size, leverage, and market-to-book ratio, (Lara et al., 2016) employed conditional accounting conservatism in accordance with Khan and Watts (2009) proxies. Due to its construction, Khan and Watts' (2009) proxy changes if the determinants of conservatism change, despite criticism of the validity of conservatism measures based on Basu's (1997) model. These researchers conducted robustness tests using three additional conservatism proxies: the conservatism ratio from Callen et al. (2010), a measure based on income and cash flow skewness, and a measure based on accumulated non-operating accruals (Givoly & Hayn, 2000).

The theoretical argument between accounting conservatism and the cost of capital was investigated by Penman & Zhang(2020)"ISSN":"01654101","abstract":"We connect conservative accounting to the cost of capital by developing an accounting model within an asset pricing framework. The model has three distinctive features: (1. The findings showed that when accounting is conservative, it is possible to deduce the amount of risk and predict stock returns using accounting- and market-based indicators. Salehi et al., (2021)all listed companies on the Tehran Stock Exchange during 2013–2018 (six years examined the connection between management entrenchment and accounting conservatism in Iran.

Conditional conservatism and unconditional conservatism were separated by the researchers. As measured by Beaver and Ryan's (2005) approach, conditional conservatism (Book To Market, or BTM) is a kind of conservatism. The proportion of the accounting value of assets divided by the market value of shares plus the book value of liabilities.

Using this regression, BTM would be classified into two parts. The first part is unconditional conservatism, which is equal to -1 times the residual value. Unconditional conservatism (Real Earning Management, or REM) is used to measure this type of conservatism using the Givoly and Hayn (2000) model, which measures such an index by discretionary accruals, i.e., REM= discretionary accruals divided by Total Assets.

Alves (2021) extends the previous research by empirically examining how board structure affects the magnitude of accounting conservatism for Portuguese listed companies. There are two measurements of accounting conservatism: CONS-MTB (conservatism Market to Book ratio) is the market to book ratio, which intuitively results in a reduction of book value relative to market value. In addition, the market-to-book ratio captures the cumulative effect of conservatism since the beginning of the firm (Anwer 2002). And the second measure, CONS-ACC (accrual-based conservatism), is operating income plus depreciation minus cash flow from operations reduced by average total assets multiplied by a negative one. This is consistent with the findings of Givoly and Hayn (2000); the intuition underlying this measure is that conservative accounting results in persistently negative accruals

The assessment of accounting conservatism based on market value is smaller than the measurement based on actual value, as can be seen from Table 1 above. The results of this study show that a combined measurement based on accruals and market value is being used in research.

The main researchers' findings, Feltham and Ohlson (1995), that explicit consideration of conservatism is inherent in GAAP, for instance due to the use of accounting depreciation methods, R&D expense ratios, allowances for losses on receivables, and inventory valuation methods, form the foundation of accrual-based accounting conservatism measurement. Earnings return regression was employed by important scholars Basu (1997) and Givoly et al(2007)"ISSN":"00014826","abstract":"The paper examines the power and reliability of the differential timeliness (DT. Ball & Shivakumar(2006)or conditional conservatism further extended their. Estimate of conservatism by assuming a linear connection between accruals and cash flows. The

change in net income was employed by Ball & Shivakumar (2006)or conditional conservatism.

By regressing the book-to-market (BTM) ratio based on Khan & Watts, (2009) modifying the Basu (1997) model, Lara et al(2014)we further argue that increases in conservatism improve the firm information environment and lead to subsequent decreases in information asymmetries between firm insiders and outsiders. We predict and test if this decrease in information asymmetries manifests itself through: (a empirically shows how to evaluate the skewed and lag components of market value-based accounting conservatism. thus utilizing leverage, C_Score, and G_Score, as well as market value of equity (MTB).

Lead researcher Barth(2000) examined Ohlson's (1995) valuation model and pioneered the evaluation of accounting conservatism based on a mix of accruals and market value. According to prior research, it is possible to measure accounting

Publisher and Journal Reputation Analysis

Based on analysis that the source articles analyzed were published by well-known publishers, namely: Emerald Publishing, Elsevier, SAGE, Wiley-Blackwell, Taylor & Francis, and Springer

Nature. Likewise, the reputation of the journal based on the rnking of Scopus is very high, namely between Q3 and Q1. It can be said that the data sources used have high relevance and accuracy based on their publishers and journal rankings.

Based appendix 1, it can be said that most of the articles reviewed in this study are ranked Q1, which is 73%, Q2, which is 23%, and Q3, which is 4%. Researchers use Scopus-based rankings.

Trend Analysis of Accounting Conservatism Measurement

The prior research, 50% of the accounting conservatism measures were made using a mix of accrual basis and market value basis, whereas 32% and 18%, respectively, were made using accrual basis measurements(appendix 2). Beginning in 2000, the use of mixed accrual and market value-based metrics increased quickly between 2020 and 2022. However, prior researchers will continue to employ accrual-based and market value-based metrics until 2022.

The following is a graphical image of the period and trend of the measurement method of Accounting Conservatism:
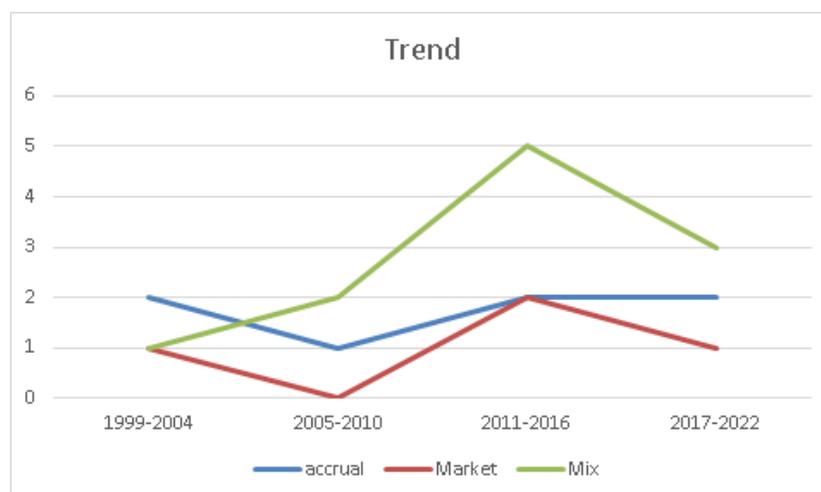
Figure 3: Trend Measurement
Source: research data processed 2023

According to the trend in Figure 3 above, market-based measurement usage started to increase between 2005 and 2010, then started to decline between 2011 and 2016, whereas accounting conservatism measurement has tended to remain steady when employed by previous

studies up to now. According to the graph above, the adoption of combined asset-based and market-value conservatism assessments increased between 1999 and 2004, peaked between 2011 and 2016, then somewhat decreased between 2017 and 2022. Comparing measures based on accruals or market

value, the usage of combined measurements simultaneously based on accruals and market value is quite high in terms of numbers.

CONCLUSION

Based on the analysis of the results of previous studies, it shows different measurements of accounting conservatism; there are researchers who use the accrual basis, but some use the market value basis. In addition, the determinants of accounting conservatism are still diverse. By analyzing previous research on accounting conservatism, it can be concluded that there are three basic measurements: accounting conservatism measurement based on accrual, based on market value, and simultaneously using accrual basis and market value. The use of accrual-based accounting conservatism measurement with explicit consideration of conservatism inherent in GAAP Meanwhile, market value-based accounting conservatism

uses return regression and book-to-market equity market value. Until now, the use of simultaneous measurement of accrual basis and market value has dominated, compared to accrual basis and market value. The trend toward the combined method based on accruals and market value began in 2016 and has continued until now, and according to researchers, this is a better method because it accommodates IFRS accounting standards based on fair value.

Only twenty-two publications were examined for this study's analysis, which has certain limitations. The possibility is that there aren't enough samples since the keywords used in the data search were quite specific and the study year range restriction was rather short.

In the future, studies may broaden the topic of accounting conservatism and use more study samples. Future scholars can develop the research subject of accounting conservatism using the proper software.

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