

ABSTRACT

"INFLUENCE OF ITS FIRM SIZE, PROFITABILITY, FINANCIAL LEVERAGE AND STOCK PRICE IN PRACTICE TO INCOME SMOOTHING"

The main objective in this study is to test empirically the variables firm size, profitability, financial leverage and stock price to income smoothing in the automotive manufacturing companies went public on the Indonesia Stock Exchange in 2006-2010, both partial and simultaneous. This study uses a quantitative approach, where the type of data used are secondary data in the form of financial statements obtained from the Indonesian Capital Market Directory-year period 2006-2010, with a sample of 13 automotive manufacturing companies that go public. Analysis of the data obtained is done using multiple linear regression analysis and F test and t.

The results showed that the partial variables firm size, profitability, financial leverage and stock prices affect the income smoothing practices, while simultaneously, the size of the company's significant effect on income smoothing, the profitability of significant effect on income smoothing, financial leverage is not significant effect on income smoothing, and the stock price effect on income smoothing.

Keywords: income smoothing, firm size, profitability, financial leverage and stock price.