ABSTRACT

Management is the party who has information about the company more than any other party, including the owner of the company (information assymetri). It is the cause of opportunistic behavior of managers to defraud investors. It also triggers the occurrence of dysfunctional behavior (behavior improper), is one of them income smoothing (income smoothing) conducted by the management in order to maximize profits and take advantage of the flexibility of the accounting standards used.

This study aimed to determine the effect of profitability with income smoothing partially, the influence of financial leverage with income smoothing partially, the effect of the size of companies with income smoothing partially, the influence of corporate value by income smoothing partial and influence between profitability, financial leverage , company size, and the value of the company simultaneously on income smoothing.

Type of this research is descriptive verification of causality. The object of this study is a mining company listed on the Stock Exchange. The population used in this study is a mining company listed on the Stock Exchange in 2011-2015. Samples of this study were 60 samples (12 companies, 5 years) taken by using purposive sampling method. This study using logistic regression analysis techniques.

Results of this study is provide empirical evidence that profitability, financial leverage, company size, and the value of the company influence simultaneously on income smoothing. Partially, profitability, financial leverage, company size does not significantly influence in income smoothing, and the value of the company has positive influence on income smoothing.

For the next study author expects to add more years of research used and different proxies, also the results of this study can be used by companies as a material consideration and evaluation of information for business decision-making.

Keywords: *income smoothing, profitability, financial leverage, company size, the value of the company*