

## **ABSTRACT**

*Income smoothing is one of the ways that management does in the earnings management of a company to maintain the stability of profits generated by the company from year to year in order to show good financial performance. This is done to attract interest from investors, where it is believed that one of the main factors of investors in determining their investment decisions is often based on profits generated by the company. Income smoothing is done by delaying or accelerating, reducing or increasing the company's financial information related to company profits from a certain year range.*

*This research was conducted with the aim of examining the effect of simultaneous and partial company size, leverage, profitability, and company age on income smoothing on KOMPAS100 index shares in the period 2013-2017.*

*This study uses quantitative methods. The sampling technique in this study was purposive sampling technique. The sample in this study was 34 samples in a period of 5 years so that 170 total samples were obtained. The analysis technique used in this study is logistic regression analysis using the IBM SPSS Statistics version 23 application.*

*Based on the results of the study, the variable company size, leverage, profitability and company age simultaneously have a significant effect on income smoothing, where the variable profitability, leverage, and firm size can affect income smoothing by 8.7% and the rest 91.3% is influenced by other factors outside the research variable. Partially, company size variables and profitability variables have a significant effect on the negative direction of income smoothing. While the leverage variable and company age variable have no effect on income smoothing.*

*From the results of research that shows a significant influence with a negative direction between company size and profitability on income smoothing, investors must be more careful in making investment decisions, not only focusing on high corporate profits, but also paying attention from the company's financial statements as a whole.*

**Keywords:** *Income Smoothing, Company Size, Leverage, Profitability, Age of Company.*