ABSTRACK

Income smoothing is accounting practice which done by management with the purpose that the profits obtained by the company do not fluctuate. This practice done to gain attention from investors where they tend to see company's profit to decide their investment decision. Company that has stability in profit describes that the company is doing very well. This encourages companies to make income smoothing. Income Smoothing is done by delaying or accelerating company profits.

This research is done to understand how profitability, capital structure, public ownership, and bonus plan effecting income smoothing partially and simultaneously in consumer goods industry companies that listed in Indonesia Stock Exchange 2013-2017.

The method of this research is quantitative research method. This study uses a type of descriptive research verification with the type of association research. The sampling technique in this study used a purposive sampling technique by obtaining 29 sample companies with a period of 4 years to obtain 116 sample units. This study uses a logistic regression analysis method using SPSS 25.0 software.

Based on this research, profitability, capital structure, public ownership, and bonus plan have significant effect to income smoothing where , profitability, capital structure, public ownership, and bonus plan effecting income smoothing by 16% while the rest of 84% effected by another variable.

Profitability, proxied by return on asset, partially has negative effect to income smoothing. Capital structure proxied by debt to asset ratio, partially has positive effect to income smoothing. While bonus plan and public ownership are not effecting income smoothing partially.

Keyword: profitability, capital structure, public ownership, bonus plan, income smoothing