ABSTRACK

Income smoothing is an action performed by the company's management with the aim of reducing earnings fluctuations so that profits become stable and to show good performance to investors. By doing income smoothing it will reduce the level of profit seen by the company looking stable and not at high risk. This encourages management to practice income smoothing for avoid or reduce the level of fluctuations in profits owned by company.

This study was conducted to determine the effect simultaneously and partially variable profitability, cash holding, and managerial ownership to income smoothing in sector consumer goods companies listed on the Indonesia Stock Exchange in 2014-2017. The method in this research is quantitative research method with the type of this research is descriptive verification of asosiation. The hypothesis in this study was tested using descriptive statistical analysis and logistic regression analysis using SPSS 25.0 software. Sampling technique used in this study is a purposive sampling technique that obtained 22 research samples within a period of 4 years so that obtained 88 units of sample in sector consumer goods companies listed on the Indonesia Stock Exchange in 2014-2017.

The results showed that profitability, cash holding, and managerial ownership simultaneously have a significant affect on income smoothing. Partially, profitability is proxied by ROA has a negative and significant effect on income smoothing, while cash holding and managerial ownership does not have a significant effect on income smoothing.

Keyword : *Income Smoothing, Profitability, Cash Holding, Managerial Ownership*