

ABSTRACT

Profit quality is a measure of the extent to which profits can be obtained consistently and can indicate the actual financial performance of a company. Investors, prospective investors, financial analysts, and other financial information users should understand the actual quality of profits. Good profit information can indicate good resource management, making investors and creditors confident to invest in the company. Therefore, profit information should explain the company's overall condition so that financial statement users can understand the company. Several factors influence the quality of profits: Investment opportunity set, profit growth, and the company's size.

The study aims to determine how the impact of Investment opportunity set, profit growth, and company size on the quality of profit in the food and beverage subsector companies listed on the Indonesian Stock Exchange in 2020-2022 both simultaneously and partially.

This research uses quantitative methods. The population in this study is the food and beverage sub-sector companies listed on the Indonesian Stock Exchange in 2020-2022. 25 companies were used to sample this research through purposive sampling. This study used panel data regression analysis as a data analysis method, and the software Eviews 12 was used.

The results showed that Investment opportunity set, profit growth, and the company size simultaneously influenced the quality of profits. Partially, profit growth and company size influence the quality of profit, while set investment opportunities do not influence profit quality.

Based on the study's results, the researchers hoped that the study could be a good reference and re-examined using other independent variables that could explain the quality of the profit and reviewed with the latest timeframe. For companies, this research advised them to pay attention to the growth of profits and the size of the company because it can affect quality profits.

Keyword: Company Size, Earnings Quality, Investment opportunity set, Profit Growth.