

ABSTRACT

The study is titled “EFFECT OF PROFITABILITY, FINANCIAL RISK, CORPORATE VALUE, AND OWNERSHIP STRUCTURE TO PRACTICE INCOME SMOOTHING ON MANUFACTURING COMPANY LISTED IN BEI” by Vina Anggraini led by Mr. Antonius Singgih Setiawan, S.E.,M.Si.

This study aims to obtain empirical evidence regarding the factors that influence the practice of smoothing income. Independent variables tested in this study is the profitability, financial risk, the value of the company, and ownership structure. Dependent variable of this study was income smoothing. The data in this study consisted of 32 manufacturing companies listed on the Indonesia Stock Exchange in the period 2008 to 2010. Sample selection by using purposive sampling. This study uses a One-Sample Kolmogorov Smirnov Test for normality test. The results of hypothesis testing by using multiple regression structure does not give effect to the practice of income smooting.

Keywords: Profitability, Financial Risk, Firm Value, Ownership Structure and Income smoothing