

## **ABSTRAK**

This research was conducted to determine the effect of earnings and cash flow in future cash flows predicting when reporting positive earnings and negative earnings. Authors choose the type of field study research by collecting data in form of financial statements across companies went public in year 2008 to 2011. The research sample drawn by using purposive sampling method in accordance with the criteria established in this study. Then the author took a random sample of 10% of the sample in accordance with predetermined criteria. Furthermore, the researchers separated the data and positive corporate gainful gainful negative. after the data is processed by classical assumption test, the next step is to do multiple regression analysis and hypothesis testing. The test results prove that the partial, profits do not have a better effect than the cash flows in predicting future cash flows, both at the time reported positive earnings and negative earnings. While simultaneously proved that the earnings and cash flows together have an influence in predicting future cash flows of both the positive and profitable company gainful negative.