

ABSTRACT

Income smoothing is one of the form of earnings management. Income smoothing is done by moving the revenues and expenses between periods to reduce fluctuations in earnings. Income smoothing capable of affecting shareholders that will expand the company's stock. Income smoothing tested using Eckel index (1981) by comparing CV (Coefficient of Variation) income with CV sales, the company which has the absolute value of the index is less than one categorized as a company that doing income smoothing practices while companies that have an absolute value index of more than one categorized as a company that does not do income smoothing practices.

This study aims to determine the effect of the audit committee, firm size, tax, managerial ownership and audit quality on income smoothing either simultaneously or partial. The character of this research is descriptive verification which is causality. The object of the research is the manufacturing sector issuers listed on the Indonesia Stock Exchange 2011-2015.

The data collection technique used is purposive sampling and obtained 195 units of samples. This study using logistic regression analysis techniques.

The result's showed a combination of independent variables, namely the audit committee, firm size, tax, managerial ownership and audit quality are able to explain the variation of the dependent variable is income smoothing by 12.60% and 87.40% is explained by another variables that was not involved in this model.

The results showed the audit committee, firm size, tax, managerial ownership, and audit quality simultaneous influence on income smoothing. Partially, the audit committee has no effect on income smoothing. The firm size has a positive and significant effect on income smoothing. Tax has no effect on income smoothing. Managerial ownership has no effect on income smoothing. As well as the quality of the audit has a negative and significant effect on income smoothing.

Keywords: *audit committee, the size of the company, tax, managerial ownership, quality audit, income smoothing.*