

ABSTRACT

Income smoothing is an act of income management which is done by increasing or decreasing earnings in a certain period in order to reduce fluctuations in profits in an entity or company. This is done by the management of a company for reasons of not achieving the target given by the company. This research was conducted to determine the effect of profitability, leverage, and institutional ownership on income smoothing in transportation subsector companies listed on the Indonesia Stock Exchange in 2013-2018.

This research is descriptive verification which is causality. The method used in this research is a quantitative research method. The sampling technique used in this study is a purposive side technique that obtained 23 research samples in 6 years so that 138 units of transportation subsector companies were listed on the Indonesia Stock Exchange in 2013-2018. The analytical method used in this study is logistic regression analysis using SPSS 23.0 software.

Based on the results of the study, showed that profitability, leverage, and institutional ownership simultaneously had no significant effect on income smoothing. While partially profitability, leverage, and institutional ownership do not influence income smoothing.

Keywords: Profitability, Leverage, Institutional Ownership, Income Smoothing.