# THE ANALYSIS OF FACTORS AFFECT INCOME SMOOTHING ON MISCELLANEOUS INDUSTRY COMPANIES LISTED ON INDONESIA STOCK EXCHANGE

**Arfianti Novita Anwar[1], Teddy Chandra[2]**
[1,2]School of Business Pelita Indonesia, Jl. Jend. Ahmad Yani No. 78-88 Pekanbaru, Riau, Indonesia
wantdvee@gmail.com

***ABSTRACT***

*The objective of this research is to identify the factors which have influence on income smoothing at Miscellaneous Industry companies listed on Indonesian Stock Exchange period 2009-2013. Independent variables of this research include Return on Asset (ROA), Company Size, Dividend Payout Ratio (DPR), Debt to Equity Ratio (DER), and Financial Leverage while the dependent variable is income smoothing. The sample used in this study is 29 Miscellaneous Industry companies listed on the Indonesian Stock Exchange within a period of five years beginning in 2009 until 2013 with the selection method of purposive sampling. To identify the companies doing income smoothing, the Eckel Index was used. Statistical analysis used in this study uses descriptive statistics, multiple linear regressions and discriminant analysis. The results show that partially only company size and dividend payout ratio have significant impact on income smoothing meanwhile Return on Assets, Debt to Equity Ratio, Financial leverage did not show significant influence on income smoothing practices. The result of discriminant analysis shows there is significant difference of Return On Assets between income smoothing and non-smoothing company.*

***Keywords**: company size; debt to equity ratio; dividend payout ratio; financial leverage; income smoothing; and return on asset*

***ABSTRAK***

*Penelitian ini ditujukan untuk mengidentifikasi faktor-faktor yang mempengaruhi perataan laba pada perusahaan aneka industri yang terdaftar di Bursa Efek Indonesia pada periode 2009 – 2013. Variabel bebas yang digunakan dalam penelitian ini mencakup Return on Asset (ROA), Ukuran Perusahaan, Dividend Payout Ratio (DPR), Debt to Equity Ratio (DER) dan Financial Leverage, dengan variabel terikat perataan laba. Perusahaan yang menjadi sampel penelitian terdiri dari 29 perusahaan aneka industri yang dipilih dengan menggunakan metode purposive sampling. Untuk mengidentifikasi perusahaan-perusahaan yang melakukan praktik perataan laba dipergunakan indeks Eckel. Alat analisis yang dipergunakan untuk melakukan analisis deskriptif kuantitatif adalah analisis linear berganda dan analisis diskriminan. Hasil penelitian menunjukkan bahwa seluruh variabel bebas yang dipergunakan mampu menjelaskan proses perataan laba yang dilakukan oleh perusahaan dan yang memiliki pengaruh signifikan adalah ukuran perusahaan dan Dividend Payout Ratio. Sementara hasil dari analisis diksriminan menunjukkan bahwa terdapat perbedaan Return on Asset antara perusahaan yang melakukan praktik perataan laba dengan perusahaan yang tidak melakukan perataan laba.*

***Kata kunci**: debt to equity ratio; dividend payout ratio; financial leverage; income smoothing; return on asset; dan ukuran perusahaan*

*Article Detail:*
*Accepted : 29 Oktober 2016*
*Approved : 19 Januari 2017*
*DOI :10.22216/jbe.v2i3.1336*

## INTRODUCTION

The financial statement is the company financial information resource. Financial statements prepare the information those related with financial position and performance. One of the performance measurement is company's profit. Statement of Financial Accounting Concept (SFAC) No. 1 about "Objectives of Financial Reporting by Business Enterprises" states that profit information is the important factor in measure the company financial performance and helps the owner and other party to appraise company's earning power for next term (Yadiati, 2007:89).

The company is not always able to maintain the stability of profit achievement. Business competitiveness is one of the factor of profit fluctuations. The investors assume this situation is bad for their investment security. Eventually manager concludes that profit achievement is the most important section of a financial statement for investor. This trend triggers manager doing dysfunctional behavior (Prabayanti and Yasa, 2010).

Income smoothing is one of dysfunctional behavior aims to create a positive respon of company' value from investor. On the other hand shareholders as the end user of financial statement need transparent and accountable financial information.

Miscellaneous Industry companies is the most progressive sector in Composite Stock Price Index with average increase in stock price about 24,55 % for the period 2009 to 2013. Miscellaneous Industry companies noted as the highest growth sector and able to record positive performance within 2009-2013, whereas negative sentiment tends to decrease Composite Stock Price Index reach 490% (ift.co.id). At the end of 2014 this sector still noted as the highest growth in Composite Stock Price Index namely 1,68%. The investors pay more attention to Miscellaneous Industry companies' performance. It is also possible that the manager of the company applies the income smoothing.

Income smoothing includes the efforts to minimize the profit if it is more than normal profit as usual, or to enhance the profit if it is less than the expected. The aim doing income smoothing is to give a sense of security to investors with the stability of profit. It is also increase investor's ability in predicting company's profitability.

The researches about the influencing factors of income smoothing in companies which are listed in Indonesia Stock Exchange show inconsistency result yet. Budiasih (2009), Prabayanti and Yasa (2010), Widana and Yasa (2013) concluded that ROA as Profitability measurement has significant influence to income smoothing practice. On the contrary to the research of Santoso (2010), Dewi and Zulaikha (2011) proved that ROA has no significant influence to income smoothing practice.

Company size variable is also investigated by many researcher including Susanto and Octaviana (2011), Dewi and Zulaikha (2011), Santoso (2010), Budiasih (2009). All the research found that size effects significantly to income smoothing practice. Meanwhile difference result is founded by Kustono (2009), Christiana (2012),Widana and Yasa (2013).
On the research conducted by Budiasih (2009), Gayantri and Wirakusuma (2012) concluded that Dividend Payout Ratio significantly affects income smoothing but Kustono (2009), Christiana (2012),Widana and Yasa (2013) showed otherwise.

The other variable is Debt to Equity Ratio which is investigated by Santoso (2010). The research found that DER has significant influence to income smoothing practice. However Rahmawati and Muid (2012) showed that DER has no significant influence.
Financial leverage is also one of variable that investigated by Budiasih (2009), Christiana (2012), Widiana and Yasa (2013). The researchs show that financial leverage affects income smoothing insignificantly. Different result was generated on Wijaya (2009) and Santoso (2010) research.

The aims of this research are to reinvestigated about the factors those affect income smoothing practice as these are still have research gap. This research examines the influence of ROA, DPR, DER and Financial Leverage to income smoothing practice.

## THEORITICAL FRAMEWORK AND HYPOTHESIS

### *Financial Statement*

Financial statement is the information of company's financial that prepared and reported by management to internal and external parties. Financial statements contain all of business activities of the company that must to be counted for. For this reason, financial statements are management's communication tool to stakeholders (Yadiati, 2007:51).

In line with this opinion, Ikatan Akuntan Indonesia (IAI) states that financial statement is one of main medium that can be used by the company to communicate the financial performances to other parties (IAI, 2012).

### *Earning*

Belkaoui (2011) argues that Earning (profit) operationally defined as the difference of realized income arising from transactions within a period and historical cost. Profit is a basic and important section from financial highlight for various needed.

### *Earning Reporting Purposes*

Harahap (2004:42) states that the purposes of earning reporting are to prepare the information for all stakeholders. For the specific reasons, profit reporting can be used to measure management efficiency, forecast the stock price and dividend distribution in the future, and as guidance for decision making process.

### *Agency Theory*

Agency theory is one of approach used to explain the trend of income smoothing practice. Agency theory is the relationship or contract between the principal and manager (agent). The underlying problems of agency theory is conflict of interest between principal and manager as these parties have difference goals particularly those involving the effort to maximize the satisfaction every party (Harmono, 2011:3).

Basic assumption of agency theory is individuals try optimizing their own interest. Principal is motivated doing contract in order to increase their welfare by optimizing the profit. On the other hand, the manager's motivation is fulfilling their economic and psychology needs (Widyaningdyah, 2001:91).

Asymmetry of information is the condition which is any imbalance of information between management as information provider and principal or stakeholders as information user. According to Rahmawati (2012:3) there are two types of Asymmetry of information i.e. adverse selection and moral hazard. Adverse selection occurs because internal party has better information than external party. Moral hazard caused by the separation of the ownership and management as the characteristic of established company. This Asymmetry of information allows the conflict between principal and agent. For minimizing the conflict management tries to accommodate the interest by doing income smoothing.

### *Earning Management*

Mulford and Comiskey (2010:81) state that earning management is accounting manipulating action aims to create a better impression of company performance.

According to Scott (2000), the pattern of earning management includes:

- Taking a Bath
  Management's action to state the future costs and writing off some assets.
- Income Minimization
  Management's action to write off assets, advertising cost, resource and development costs, etc to achieve the certain level of return on asset or return on investment. This action usually doing when the company booked higher earnings.

- Income Maximization
  Manager makes effort to state high net income with gaining higher incentives motivation. This pattern is also done to avoid the
- Income Smoothing
  Income smoothing defined as profit normalization. Managers tends to normalize the profit as it is note between *bogey* (minimum profit to get bonus) and *cap* (maximum profit to get bonus). For Risk Averse Manager, they will choose to reduce the flow of bonus and income smoothing will be the best choice.

**Income Smoothing**

Income smoothing can be defined as efforts to flatten the rate of profit that is deemed normal in the present (Chariri and Ghozali, 2007: 370).

Belkaoui (2011) defined income smoothing as the early and the final definition. The early definition said that it reduces fluctuations in earnings from year to year by transferring income from the years of high earnings to a less favorable period.

In other condition, income smoothing means as the final definition as it is deemed for a phenomenon to manipulate the profile of earning to minimize the variation of the profit and loss statement.

**Income Smoothing Motivation**

Income smoothing is done for many reasons such as to reduce the tax, to increase the confidence of manager because stable income will support the stable policy.

Income smoothing is also done to avoid employee’s pressure for salary or wage increasing.

**The Factors Affecting Income Smoothing**

According Positive Accounting Theory (PAT) there are three factors influence the income smoothing i.e. the bonus plan hypothesis, Debt Covenant Hypothesis and Size Hypothesis/political cost hypothesis.

**Return on Asset**

Return on assets (ROA) is a profitability ratio that measures a company's ability to generate profits from assets that were used.

**Firm Size**

Firm size defined as the scale to classify the firm according a variety of ways including total assets, log size and value of the stock market.

**Dividend Payout Ratio**

Dividend Payout Ratio (DPR) is a certain percentage of corporate profits paid out as cash dividends to the shareholders.

**Debt to Equity Ratio**

Debt to Equity Ratio shows the proportion between total debt to total shareholders' equity (total equity).

**Financial Leverage**

Financial Leverage is the use of financial resources which has the fixed cost with the expectation of providing additional benefit that is greater than the fixed cost. The expectation that a change in earnings per share (EPS) is greater than the earnings before interest and taxes (EBIT).

## RESEARCH METHOD

**Population and Sample**

The population of the study is the Miscellaneous Industries company that has been listed on the Indonesia Stock Exchange from 2009 to 2013. The sampling technique in this research is using purposive sampling method of sampling techniques using specific constraints and considerations, for the purpose of research and representative in accordance with the

specified criteria. Researchers determined criteria includes the companies that are consistently listed on the Stock Exchange in 2009 through 2013, the company did not make acquisitions and mergers in the period of 2009-2013. Companies which make acquisitions and mergers during the observation period will result in the variables in the study undergo changes that are not comparable with the previous period. Based on the sampling criteria, then there are 29 listed companies sampled in this study.

**Sample Classification Method**

The numbers of sample those have been selected are classified into groups instead of grading using Eckel Index (1981) as follow:

$$\textit{Eckel}\ \textbf{Index} = CV\Delta I CV\Delta S$$

ΔI = Change of net profit in a period
ΔS = Change of sales in a period
CV = Coefficient Variation

CVΔI and CVΔS can be calculated as follow:

$$\text{CV}\Delta\text{I or CV}\Delta\text{S}=\sqrt{}\frac{Variance}{Expected/Value}$$

Or

$$\text{CV}\Delta\text{I or CV}\Delta\text{S} = \sqrt{\sum}\frac{(\Delta X - \overline{\Delta X})^2}{n-1} : \Delta\overline{X}$$

ΔX = profit or sales changes between year n with year n-1
ΔX = Profit or sales changes average between year n to year n-1
n = years observed

Companies considered doing income smoothing practices when **CVΔI< CVΔS.**

**Data Analysis**

Data will be analyzed by using multiple regression analysis to examine the influence of dependent variables to independent variable. For the second phase the research also used discriminant analysis to examine the differences between groups of independent variables. This research develop a model to be examined i.e.

$$Y = a + b1\ X1 + b2\ X2 + b3\ X3 + b4\ X4 + b5\ X5 + e$$
$$\mathbf{Y = X1 + X2 + X3 + \ldots\ldots + Xn}$$
**Non metric = Metric**

Research analysis requires some testing such as preliminary testing and hypothesis testing. Later on, this research will examine the difference using discriminant.

**DATA ANALYSIS AND DISCUSSION**

Based on Eckel Index calculation for 29 samples, there are 19 companies did income smoothing.

This research shows the result that all variables have been tested (ROA, Firm Size, DPR, DER and Financial Leverage) affect the companies to do income smoothing practice. But the determination of variables is only 0,070 or 7% means all independent variables can

explain the dependent variables for 7% and the rest for 93% is described by other variables out of the model of this research.

Multiple Regression test showed the model i.e.: Y = -5,389 + 0,112XROA + 0,463XSIZE - 1,489XDPR - 0,068XDER + 9,746XDFL. This model can be explained:

1. Return on Assets Regression Coefficient is 0,112 means every changes on Return on Assets will influence positively the trend of income smoothing directly proportionally for 0,112 points.
2. Firm Size Regression Coefficient is 0,463 means every changes on Firm Size will affect positively the trend of income smoothing directly proportionally for 0,463 points.
3. Dividend Payout Ratio Regression Coeficient is -1,489 means every changes on Dividend Payout Ratio will affect negatively the trend of income smoothing for 1,489 points.
4. Debt to Equity Ratio Regression Coefficient is -0,068 means that the changes of Debt to Equity Ratio will influence negatively the trend of income smoothing for 0,068 points.
5. Financial Leverage Regression Coefficient is 9,746 means that every changes on Financial Leverage will affect positively the trend of income smoothing for 9,746 points.

**Discriminant Analysis**

Discriminant analysis that has been done shows the result there is difference between the companies which are do income smoothing and the companies which are do none for Return on Assets. The other variables have no difference. This table will show the result of discriminant analysis:

**Table 1**
**Discriminant Analysis Result**

| **Variable** | **Average Score** | | **Total** | **Result** |
|---|---|---|---|---|
| | **Income Smoothing** | **Non – Income Smoothing** | | |
| ROA | 0,0056 | 0,1365 | 0,0507 | Significant |
| SIZE | 13,6525 | 14,0375 | 13,7853 | Not Significant |
| DPR | 0,1434 | 0,1270 | 0,1377 | Not Significant |
| DER | 2,2494 | 1,4737 | 1,9819 | Not Significant |
| DFL | 4,3686 | 10,8093 | 6,5895 | Not Significant |

**Source:** Research Analysis, 2014

**The Influence of ROA to Income Smoothing**

Discriminant Test Result showed in previous table described that ROA of companies with income smoothing practice has difference with companies which are do not significantly (for significance 0,004). ROA for companies with income smoothing is noted 0, 0056 less than ROA for other companies i.e. 0, 1365.

Based on the result of multiple regression analysis described that ROA has significance value 0,869 which is greater than 0, 05 ($t_{value}$ 0,165 less than $t_{able}$ 1,977). It is mean hypothesis that was proposed is rejected or ROA has no significant affect to income smoothing practice. ROA does not affect the trend of income smoothing, it is because the ROA is still in a position to be considered either by the company. When linked with the results of discriminant analysis the companies with income smoothing practice have smaller ROA than the groups without income smoothing. This means companies tend to do income smoothing because of lower corporate profits.

These results are similar to studies conducted by Dewi and Zulaikha (2011) on the analysis of the factors affecting income smoothing in manufacturing companies and financial listed on the Stock Exchange (2006-2009) with independent variables company size, profitability (ROA), financial leverage, and industries with the results of the study is only the

size of companies that have a significant effect on income smoothing. However, this study is different from the results of research conducted by Budiasih (2009), Prabayanti and Yasa (2011), Widana and Yasa (2013). Budiasih (2009) concluded that the return on assets has a significant positive effect on income smoothing. Differences in the results of this research are in terms of sectors studied and differences in the study period.

**The Influence of Company Size to Income Smoothing**

Based on the results of testing that has been done, partially Company size has a positive influence on income smoothing, with a significance level of 0.001 <0.05. According to the political cost hypothesis in a positive accounting theory argued that large companies tend to do maintenance on profits in order to avoid the emergence of a new policy. The government is likely to impose costs that are considered in accordance with the ability of large companies where the company will be burdened with great cost. So management is motivated to do the income smoothing practices so that the company's performance is still considered good.

The results of this study support previous research conducted by the Dewi and Zulaikha (2011), Susanto and Oktaviana (2011), Rahmawati and Muid (2012). However, this study is different from the research conducted by Christiana (2012), Widana and Yasa (2013). Christiana (2012) concluded that company size is not the determining factor the company will practice income smoothing, this is because most of people pay less attention to the size of a company. Widana and Yasa (2013) concluded that the variable firm size has no effect on the income smoothing. Christiana (2012) also concluded that the variable firm size has no effect on the income smoothing.

**The Influence of Dividend Payout Ratio (DPR) to Income Smoothing**

Based on the test results a negative value indicates that the DPR have a relationship in the opposite direction with the Income Smoothing, with a significance level of 0.039 <0.05 means DPR also has significant influence on income smoothing. Dividend policy is the percentage of profit paid out to shareholders in the form of cash dividends secure dividend stability over time, the distribution of stock dividends and stock repurchases. The Dividend Payout Ratio, in determining the magnitude of the amount of retained earnings of companies must be evaluated within the framework of the purpose of maximizing the wealth of shareholders (Harmono 2011: 12). The results of this study differ from research Christiana (2012), Widana and Yasa (2013). Christiana (2012) concluded that the dividend payout ratio has no effect on income smoothing while dividend payout ratio policy is a decision of the general meeting of shareholders that may not be detected by management. Widana and Yasa (2013) concluded that the dividend payout ratio does not have a significant effect on the income smoothing.

The results of this study support previous research conducted by Budiasih (2009) who argued that the DPR influence on income smoothing. This is due to stable profit will make dividend to investors and prospective investors will also be stable.

**The Influence of Debt to Equity Ratio to Income Smoothing**

Based on test results DER not significantly affect income smoothing. DER variable insignificant influence on income smoothing. The results of this study differ with debt covenants hypothesis in a positive accounting theory states that companies that have a high debt to equity ratio, the company's managers tend to use accounting methods that can increase revenue earnings. These results are consistent with research conducted by Rahmawati and Muid (2012) where the results show that the debt to equity ratio does not significantly influence income smoothing. But the result is different from the research done by Santoso (2010) who argued that the DER has a significant influence on income smoothing. DER influential companies allegedly defaulted (not able to settle their obligations at maturity) due to financial difficulties.

**The Influence of Degree of Financial Leverage to Income Smoothing**

DFL partial influence on the practice of smoothing earnings is not significant, with a significance of 0.968> 0.05. It is due to the larger the debt of the company, the greater the risk faced by investors and investors will increasingly ask profits higher. An increase of leverage can lead to increased risk but at the same time it will also increase the number of returns to be gained, therefore, management does not use this variable to perform income smoothing practices.

The results support the research conducted by Christiana (2012), Dewi and Zulaikha (2011), Prabayanti and Yasa (2010) who argued that financial leverage has no effect on income smoothing. But not in line with the research Wijaya (2009) who conduct research on factors that affect income smoothing a case study in the real estate industry and the property is in good standing in the Indonesia Stock Exchange concluded that the financial leverage effect on income smoothing index. Santoso (2010) were also conducted case studies on real estate and property industry in Indonesia Stock Exchange also concluded that the financial leverage significant influence on the practice of income smoothing.

## CONCLUSION

Based on the description, analysis, and discussion that has been described, it can be concluded as follows: Partially Size Company and Dividend Payout Ratio (DPR) have an impact on income smoothing, while Return on Assets (ROA), Debt to Equity Ratio (DER), Financial leverage have no impact on income smoothing. Return on Assets (ROA), firm size (size), Dividend Payout Ratio (DPR), Debt to Equity Ratio (DER), Financial leverage together have an impact on stock prices in companies of various industries in the Indonesia Stock Exchange.

There is a difference between the grading company profit and not profit grading. The difference lies in the Return on Asset (ROA). While the variable of company size (size), Dividend Payout Ratio (DPR), Debt to Equity Ratio (DER) and Financial Leverage showed no difference.

Future studies are expected to be able to test some of the other alleged factors have an influence on income smoothing, such as institutional ownership, the reputation of auditors and others.

The company is expected to improve financial performance and the company's management performance each year so that the perception of investors about prospects for the future management performance can be maintained properly. Investors should be more selective in determining and deciding to invest in the company because the company that practice income smoothing is a company whose profits are low.

## REFERENCES

Belkaoui, Ahmed Riahi. 2011. Accounting Theory. Fifth Edition. Salemba Empat. Jakarta.

Budiasih, Igan. 2009. The Factors Affecting Income Smoothing (Faktor-Faktor Yang Mempengaruhi Perataan Laba), AUDI Journal of Accounting and Business (AUDI Jurnal Akuntansi dan Bisnis), Vol. 4, No. 1:44-50.

Chariri and Ghozali. 2007. Accounting Theory (Teori Akuntansi). Third Edition. The Publisher of Diponegoro University. Semarang.

Christiana, Lusi. 2012. The Factors Influencing Income Smoothing on Manufacture Companies Listed in Indonesia Stock Exchange (Faktor-faktor yang Mempengaruhi Praktik Perataan Laba pada Perusahaan Manufaktur di BEI), Journal of Accounting Student (Jurnal Ilmiah Mahasiswa Akuntansi). VOL. 1, NO. 4, JULI. Unika Widya Mandala. Surabaya

Dewi, Ratih Kartika and Zulaikha. 2011. Analysis of Factors Affecting Income Smoothing in Manufacture and Finance Listed in Indonesia Stock Exchange Period 2006 – 2006 (Analisis Faktor-Faktor yang Mempengaruhi Praktik Perataan Laba (*Income Smoothing*) pada Perusahaan Manufaktur dan Keuangan yang Terdaftar di BEI (2006-2009)). Diponegoro University. Semarang.

Eckel, N. 1981. The Income Statement Hypothesis Revisited Abacus

Gayatri, I.A., Made Gede Wirakusuma. 2012. The Factors Affecting Income Smoothing in Companies Listed in Indonesia Stock Exchange (Faktor-faktor yang Mempengaruhi Perataan Laba Perusahaan yang Terdaftar di Bursa Efek Indonesia). Bali.

Harahap, Syofan Syafri. 2004. Critical Analysis of Financial Statement (Analisis Kritis Terhadap Laporan Keuangan), First Edition, Jakarta: PT. Raja Grafindo Persada

Harmono. 2011. Financial Management: Based on Balanced Scorecard Theoretical, Cased and Business Research Approached (Manajemen Keuangan: Berbasis *Balanced Scorecard* Pendekatan Teori, Kasus, dan Riset Bisnis). Second Matter. Jakarta. Bumi Aksara.

Ikatan Akuntan Indonesia. 2012. Financial Accounting Standard (*Standar Akuntansi Keuangan)*. Jakarta

Indonesia Finance Today, http://www.ift.co.id/posts/saham-aneka-industri-dan-agribisnis-tangguh, Retrieved on 23 December 2014

Kustono, A.S. 2009. The Influence of Company Size, Dividend Payout, Specific Risk and Growth to Income Smoothing on Manufacture Companies Empirical Study Indonesia Stock Exchange 2002 – 2006 (Pengaruh Ukuran, *Devidend Payout*, Risiko Spesifik, dan Pertumbuhan Perusahaan Terhadap Praktik Perataan Laba Pada Perusahaan Manufaktur Studi Empiris Bursa Efek Jakarta 2002-2006). Economic Business Journal (Jurnal Ekonomi Bisnis) No.3. Universitas Jember.

Mulford and Comiskey. 2010. Accounting Fraud Detection (Deteksi Kecurangan Akuntansi) *(The Financial Numbers Game)*. Firts Edition. PPM Manajemen. Jakarta

Prabayanti, Ni Luh Putu Arikand Gerianta Wirawan Yasa. 2011. Income Smoothing and Analysis of Factors Influencing (Study on Manufacture Companies Listed in Indonesia Stock Exchange (Perataan Laba (Income Smoothing) Dan Analisis Faktor-Faktor Yang Mempengaruhinya (Studi Pada Perusahaan Manufaktur Yang Terdaftar Di Bursa Efek Indonesia)). Accounting and Business Journal (Jurnal Ilmiah Akuntansi dan Bisnis) Vol. 6 No. 1 January 2011

Rahmawati. 2012. Financial Accounting Theory (Teori Akuntansi Keuangan). Yogyakarta: Graha Ilmu

Rahmawati, Dina and Dul Muid. 2012. Analysis of Factors Influencing on Income Smoothing (Study on Manufacture Companies Listed in Indonesia Stock Exchange Period 2007 – 2010) (Analisis Faktor-Faktor yang Berpengaruh Terhadap Praktik Perataan Laba (Studi Perusahaan Manufaktur yang Terdaftar di BEI Tahun 2007-2010)). Diponegoro Journal of Accounting. Vol.1 No.12 2012. Semarang.

Santoso, Yosika Tri. 2010. Analysis Of The Effect of NPM, ROA, Company Size, Financial Leverage And DER to Income Smoothing Practice on Property And Real Estate Companies Listed In Indonesia Stock Exchange. Gunadarma University, Depok

Scott, W.R. 2000. Financial Accounting Theory. Second Edition. New Jersey. Prentice Hall

Susanto, Herry and Oktaviana. 2011. Analysis of Factors Affecting Income Smoothing Period 2006 – 2009 (Empirical Study: Banking and Assurance Sector Listed in Indonesia Stock Exchange (Analisis Faktor-Faktor Yang Mempengaruhi Perataan Laba Periode 2006 – 2009 (Studi Empiris : Sektor Perbankan dan Asuransi yang Terdaftar di BEI). Proceeding PESAT (Psikologi, Ekonomi, Sastra dan Sipil) Vol. 4. Gunadarma University, Depok

Widana, I Nyoman Ari and Gerianta Wirawan Yasa. 2013. Income Smoothing and Influencing Factors in Indonesia Stock Exchange (Perataan Laba Serta Faktor- Faktor Yang Mempengaruhinya di Bursa Efek Indonesia). Accounting E_Journal (E-Jurnal Akuntansi) Udayana University. Bali.

Widyaningdyah A.U. 2001. Analysis of Factors Influencing Earning Management on Go Public Companies in Indonesia (Analisis Faktor-Faktor Yang Berpengaruh Terhadap Earning Management Pada Perusahaan Go Publik di Indonesia). Accounting and Financial Journal (Jurnal Akuntansi & Keuangan) Vol 3 No.2. Petra University.

Wijaya, Mulyawati. 2009. Analysis of Income Smoothing Practice on Good Standing Real Estate and Property Industry in Indonesia Stock Exchange (Analisis Praktik Perataan Laba pada Industri Real Estate dan Properti yang Bereputasi Baik di Bursa Efek Indonesia). Contemporary Accouting Journal (Jurnal Akuntansi Kontemporer) Vol. 1. No. 2. Widya Mandala Foundation. Surabaya

Yadiati, Winwin. 2007. Accounting Theory: an Introduction (Teori Akuntansi : Suatu Pengantar). First Edition. Kencana Prenada Media Group. Jakarta.