

**THE INFLUENCE OF PROFITABILITY , FINANCIAL
LEVERAGE AND COMPANY SIZE ON INCOME SMOOTHING
(Study on Food and Beverage Sub-Sector Manufacturing Companies
Listed on the Indonesia Stock Exchange 2016-2020 Period)**

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ABSTRACT

This study aims to determine the effect of profitability, financial leverage and firm size on income smoothing partially or simultaneously. The population of this research is all food and beverage sub sector manufacturing companies listed on the Indonesia Stock Exchange totaling 32 companies. This study uses an observation period of 2016-2020 with purposive sampling method obtained a sample of 8 companies. The data analysis method used in this research is multiple linear regression test. The variables used are profitability, financial leverage and firm size as independent variables. While the income smoothing variable is the dependent variable. The results of this study resulted in the finding that partially profitability and financial leverage had a significant effect on income smoothing. Firm size has no significant effect on income smoothing. Simultaneously, profitability, financial leverage and firm size have a significant effect on income smoothing.

Keywords: *profitability, financial leverage, company size and income smoothing.*