

ABSTRACT

The purpose of this research is to analyze differences in the earnings persistence and determinants of earnings persistence as the volatility of cash flow, the amount of accruals, sales volatility, leverage and firm size before and after the Initial Public Offering (IPO) and examine the influence determinants of earnings persistence against the persistence of earnings on the whole companies listed in the Indonesia Stock Exchange. Selection of the samples in this study using purposive sampling method with certain criteria. The samples are 73 companies listed in the Indonesia Stock Exchange and carry out IPO in 2008 until 2012. The data analysis method used is descriptive analysis, test classic assumptions (Normality Test, Test Heteroscedasity, Multicollinearity Test, Test Autokorelitas), hypothesis testing which includes data normality test, test Wilcoxon signed rank test, paired sample test and regression analysis (test F-statistic, statistical t-test, test coefficient of Determination). The results showed that there were no differences between persistence of earnings before and after the IPO. Volatility of cash flow have a significant negative effect on earnings persistence. Amount of accruals have significant negative effect on earnings persistence. Sales volatility has a positive influence not significant earnings persistence. Leverage have no significant negative effect on earnings persistence. Firm size has a positive effect not significant earnings persistence.

Keywords: Earnings Persistence, Initial Public Offering, Cash Flow Volatility, Magnitude Accrual, Volatility Sales, Leverage, and Firm Size.