

## **ABSTRACT**

*Profit is an important factor to estimate the performance of the company as one of the basis for the investor to estimate the future profit. This matter has made the investor pay much attention to the profit of a company without noticing the process of the forming of profit information. This condition support the manager to do income smoothing. This study conducted to analyze the effect of variable Profitability, Dividend Payout Ratio, Firm Size and Financial Leverage to the Income Smoothing on manufactur industies listed on Indonesian Stock Exchange from 2011 - 2013.*

*The population of this study are manufacturing companies listed in Indonesia Stock Exchange (IDX) 2011-2013. The analysis method of this research is using logistic regression using SPSS 20. Sampling technique used is purposive sampling and number of samples used is 120 from manufactur industries. Variables used in this study are variable Profitability (ROA), Dividend Payout Ratio (DPR), Firm Size and Financial Leverage (LEV) as an independent variable; Income Smoothing as an dependent variable.*

*The result showed that Dividend Payout Ratio (DPR), Firm Size and Financial Leverage (LEV) has negative and not significantly impacted the Income Smoothing, Profitability (ROA) has positive and significant impact to the Income Smoothnig. .*

*Keywords: Profitability (ROA), Dividend Payout Ratio (DPR), Firm Size, Financial Leverage (LEV) and Income Smoothing*