***Sulistyowati, Novi**. 2011. " The Influence of Company Size, Profitability, and Debt to Equity Ratio of Income Smoothing Practices in Public Companies". Final Project. Accounting Department. Faculty of Economics. State University of Semarang. Advisor: Muhammad Khafid, S.Pd., M.Si. Co Advisor: Maylia Pramono Sari, SE, M.Si.Akt.*

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Based on the facts, often the attention of users of financial statements only to gain information, regardless of how profits are generated. This encourages corporate management to take action that is Income Smoothing earnings management. The financial statements of public companies are expected not to practice Income Smoothing. But in reality there is still a practice of Income Smoothing in public companies in Indonesia. The problem of this research is whether firm size, profitability, and Debt to Equity Ratio Income Smoothing affect practice. This research aims to determine the effect of company size, profitability, and Debt to Equity Ratio, both simultaneously and partially on the practice of Income Smoothing in public companies.

The population in this study are all public companies listed on the IDX of the year 2007-2009, amounting to 343. Sampling was purposive sampling method produced 22 companies. The data was collected using the method of documentation of secondary data, then the company is grouped with Eckel index to determine grading company earnings and profits rather than grading. Methods of data analysis using descriptive analysis and logistic regression analysis the percentage with α 0.05. The independent variables are firm size (X1), profitability (X2), and Debt to Equity Ratio (X3). While the dependent variable in this study were Smoothing Income (Y).

The results showed that there were indications of Income Smoothing practices in public companies as many as 12 of the 22 firms or 54.55%. Based on the data with logistic regression though, size of company has a sig. 0.205, 0.671 and profitability of Debt to Equity Ratio 0.593.

Based on the above results, it can be concluded that company size, profitability, and Debt to Equity Ratio not influence the practice of Income Smoothing and partially simultaneously. Suggestions relating to the results of this study are: Investors should not focus on corporate profits, but the company's financial condition and other financial ratios. And researchers who will come recommended to use the variable firm size as measured by stock market value, total sales, or number of employees working in the company. And variables that proxy profitability with net profit margin (NPM) or Return on Equity (ROE).