

## **ABSTRACT**

*Profit is important information to provide useful information in making business and economic decisions. Company LQ-45 index is a company that is considered good because it has certain criteria but halandal related. This study aims to segment the company's LQ-45 index in performing income smoothing practices by using four indicator variables: profitability, financial leverage, firm size and firm value. The sample used is 24 companies with consistent company criterion for 5 years (2012 until 2016) which is included in LQ-45 index list. The results of this study indicate the influence of profitability, financial leverage, company size and corporate earnings on income smoothing simultaneously, financial leverage and corporate value has an influence on smoothing income while financial leverage and firm size has no effect on income smoothing*

**Keywords:** *Index Company LQ-45, Profitability, Financial Leverage, Company Size, Corporate Value, Income Smoothing*