

## ABSTRACT

*Muhammad Ridwan. Effect Analysis Company Size, Profitability, and Financial Leverage to Profit smoothing action on industrial companies Automotive Listed in Indonesia Stock Exchange in the Year of 2011-2014 led by Drs. Darmansyah Hs. Akt. MM. CISA This study aimed to assess the effect of firm size, profitability and leverage to the actions of earnings in the Automotive industry companies listed on the Indonesia Stock Exchange. The study design using causal-comparative where data sources are secondary data. The sample used in this study were 12 companies Automotive industry in Indonesia Stock Exchange. Technique using samples using saturated sample. The unit of analysis is the industry. The analysis tool uses binary Logistic regression. The results showed that the partial financial leverage significant effect on the income smoothing, profitability does not affect the company's income smoothing and size has no effect on the income smoothing. Together the company size, profitability and leverage effect on income smoothing practices. The findings of this study indicate that dominated for income smoothing is financial leverage, because the smaller the debt company then the company will have a small risk, and vice versa if the company has debts greater then the company has a greater risk that the company will undergo a smoothing earnings.*

*Keywords: Company Size, Profitability, Financial Leverage, Profit alignment.*