

**THE INFLUENCE OF GROSS PROFIT, OPERATING PROFIT AND NET
INCOME IN PREDICTING FUTURE CASH FLOWS (CASES OF STUDY :
ON MANUFACTURE COMPANY IN BURSA EFEK INDONESIA)**

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ABSTRACT

The purpose of this study was to obtain empirical evidence about the influence of the rate of gross profit, operating profit and net income in predicting future cash flows by examining each variable, and analyzes the influence of gross profit, operating profit and net income in predicting future cash flows future.

Object of study is a manufacturing company listed on the Indonesia Stock Exchange (BEI) from 2009 to 2011, not a merger during the period of observation, and enrolled in a row during the observation period. The method used in the selection of objects in this study was purposive sampling. The method of analysis used in this study is to model multiple linear regression analysis performed with SPSS version 17 for windows.

These results indicate that net income is more influential than the gross profit and operating profit in predicting future cash flows. Partial variable net income and gross profit significantly affect the dependent variable (cash flows), but simultaneously the gross profit, operating profit and net income have a predictive effect on future cash flows.

Keywords : gross profit, operating profit, net income, cash flows.