# ABSTRACT

*The research objective is to examine the influence of company size, profitability, financial leverage, net profit margin and audit quality to income smoothing. This study was also to improve consistency of result from prior researchers.*

*The population of this reseacrh is all manufacturing companies listed consistently in Indonesia Stock Exchange over the eight year period 2008 until 2013. This research using purposive sampling to obtain the samples. The samples of this research consisting of 177 data that has been listing in Indonesian Stock Exchange for period 2008 until 2013. This study uses binary logistic regression method to see the contribution of each variable in influence income smoothing management.*

*The empirical result indicates company size, financial leverage and audit quality statistically have influence to income smoothing management. On the other hand, profitability and net profit margin do not have influence to income smoothing management.*

**Keywords:** Income Smoothing, Company Size, Profitability, Financial Leverage, Net Profit Margin, Audit Quality