

ABSTRACT

JESSLYN HALIM

1401020225

THE IMPACT OF BOOK-TAX DIFFERENCES ON PROFIT GROWTH (EMPIRICAL STUDY ON CONSUMPTION INDUSTRY COMPANIES REGISTERED IN INDONESIA STOCK EXCHANGE)

(xiv + 75 pages; 5 figures; 13 tables; 3 appendixes)

This research aims to examine the impact of book-tax differences on profit growth. The independent variables used in this research are permanent differences and temporary differences which are proxy of book-tax differences, while the dependent variable is profit growth.

The population of this research is consumption industry companies listed in Indonesia Stock Exchange in 2014-2016. Sampling is conducted by using purposive sampling method. Based on purposive sampling method, the sample obtained that meet the criteria to be used as a sample of this research is 25 companies. Therefore, the amount of research data for period 2014-2016 is 75 samples. The analysis method used to test the independent variables impact to the dependent variable is the multiple linear regression analysis.

The result of this research indicates that permanent differences have significant effect on profit growth. Temporary differences don't have significant effect on profit growth. Book-tax differences are proxied by permanent differences and temporary differences simultaneously don't have significant impact on profit growth.

Keywords: Book-Tax Differences, Permanent Differences, Temporary Differences, Profit Growth.

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