

## **ABSTRACT**

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### **THE IMPACT OF FIRM SIZE, SALES GROWTH, AND CURRENT RATIO TOWARD TAX AVOIDANCE IN TRADING COMPANIES THAT LISTED IN INDONESIA STOCK EXCHANGE**

(xiv + 98 pages; 4 figures; 21 tables; 7 appendices)

Every company implements different strategies on their tax avoidance based on numerous factors. Some of the factors are firm size, sales growth and current ratio. The objectives of this research are to know the impact of firm size, sales growth, and current ratio toward tax avoidance in trading company that listed in Indonesia Stock Exchange.

The research method in conducting this research is the quantitative approach method. All information regarding the data used to support the completion of this research is obtained from the secondary data with the purposive sampling. With the population of 62 trading companies that listed in Indonesia Stock Exchange, there are 22 trading companies from 2013 to 2017 as the samples which resulted in the total amount of 110 samples. The data analysis method is done with the multiple linear regression analysis, descriptive statistics process, classical assumption test, and the hypothesis test.

From the data analysis, it shows that firm size, sales growth and current ratio toward the tax avoidance in trading company that listed in Indonesia Stock Exchange has passed the classical assumption test. Partially, firm size as the independent variable has positive impact toward tax avoidance, sales growth shows no impact on tax avoidance and current ratio has negative impact on tax avoidance. However, firm size, sales growth and current ratio simultaneously have significant impact on tax avoidance.

Firm size, sales growth, and current ratio as independent variables only explains 42.8% of all independent variables on the tax avoidance. So, for further researchers to get better results, they may use the other variables that might affect tax avoidance or use other companies or period interval.

**Keywords: Firm Size, Sales Growth, Current Ratio, Tax Avoidance**

References: 63