

## TABLE OF CONTENTS

<b>COVER PAGE</b>	page
<b>TITLE PAGE</b>	
<b>DECLARATION OF AUTHENTICITY OF FINAL PAPER AND UPLOAD AGREEMENT .....</b>	<b>ii</b>
<b>APPROVAL PAGE BY FINAL PAPER ADVISOR.....</b>	<b>iv</b>
<b>APPROVAL PAGE BY FINAL PAPER DEFENSE COMMITTEE.....</b>	<b>v</b>
<b>ABSTRACT.....</b>	<b>vi</b>
<b>ABSTRAK .....</b>	<b>vii</b>
<b>PREFACE.....</b>	<b>viii</b>
<b>LIST OF TABLE .....</b>	<b>xv</b>
<b>LIST OF APPENDICES .....</b>	<b>xvi</b>
<b>CHAPTER I INTRODUCTION.....</b>	<b>1</b>
1.1 Background of Study .....	1
1.2 Problem Limitation .....	10
1.3 Problem Formulation .....	11
1.4 Objectives of The Research .....	12
1.5 Benefits of The Research.....	13
1.5.1 Theoretical benefits.....	13
1.5.2 Practical benefits.....	13
1.6 Writing Systematics.....	14
<b>CHAPTER II LITERATURE      REVIEW      AND      HYPOTHESIS DEVELOPMENT .....</b>	<b>16</b>
2.1 Theoretical Background.....	16

2.1.1 Agency Theory.....	16
2.1.2 Definition of Income Smoothing .....	17
2.1.3 Dimensions of Income Smoothing.....	21
2.1.4 Types of Income Smoothing .....	22
2.1.5 Profitability .....	23
2.1.6 Liquidity.....	24
2.1.7 Firm size .....	25
2.2 Previous Research.....	26
2.3 Hypothesis Development.....	28
2.3.1 The Influence of Profitability towards Income Smoothing.....	29
2.3.2 The Influence of Liquidity towards Income Smoothing.....	29
2.3.3 The Influence of Firm size towards Income Smoothing.....	30
2.3.4 The Influence of Profitability, Liquidity and Firm Size towards Income Smoothing.....	31
2.4 Research Model .....	31
2.5 Framework of Thinking .....	32
<b>CHAPTER III RESEARCH METHODOLOGY.....</b>	<b>33</b>
3.1 Research Design .....	33
3.2 Population and Sample .....	34
3.2.1 Population .....	34
3.2.2 Sample .....	35
3.2.3 Criteria or Determinant .....	35
3.3 Types and Source of Data .....	36
3.4 Operational Variable Definition and Variable Measurement .....	37
3.4.1 Independent Variables .....	38
3.4.2 Dependent Variables.....	40

3.4.3 Definition of Operational and Measurement of Variable .....	42
3.5 Data Analysis Method.....	42
3.5.1 Statistic Analysis.....	42
3.5.2 Classical Assumption Test.....	43
3.5.3 Multiple Linear Regression.....	45
3.6 Hypothesis Testing .....	46
3.6.1 Parameter Individual Significance Test ( T-test ).....	46
3.6.2 Simultaneously Significance Test ( F-test ).....	47
3.6.3 Coefficient of Determination .....	47
<b>CHAPTER IV RESULT OF RESEARCH AND DISCUSSION.....</b>	<b>49</b>
4.1 General Description of The Research Object .....	49
4.2 Research Result.....	51
4.2.1 Statistic Analysis.....	51
4.2.2 Classical Assumption Test.....	54
4.2.3 Multiple Linear Regression.....	61
4.2.4 Hypothesis Testing.....	62
4.3 Discussion of The Research Result.....	65
4.3.1 The Influence of Profitability towards Income Smoothing.....	66
4.3.2 The Influence of Liquidity towards Income Smoothing.....	67
4.3.3 The Influence of Firm Size towards Income Smoothing .....	68
4.3.4 The Influence of Profitability, Liquidity and Firm Size Simultaneously towards Income Smoothing .....	69
<b>CHAPTER V CONCLUSION AND RECOMMENDATION.....</b>	<b>70</b>
5.1 Conclusion .....	70
5.2 Recommendation .....	72

**REFERENCES: ..... 74**



## LIST OF FIGURE

	page
Figure 2. 1 Research Model .....	31
Figure 4. 1 Result of Histogram.....	56
Figure 4. 2 Result of P-Plot.....	57
Figure 4. 3 Scatterplot.....	59



## LIST OF TABLE

	page
Table 1. 1 The Return on Asset (ROA), Current Ratio (CR), Firm Size, and Income smoothing of Consumer goods companies that listed in Indonesia Stock Exchange for the period of 2017 – 2020 .....	7
Table 2. 1 Summary of Previous Research .....	26
Table 3. 1 Determinant of Sample .....	36
Table 3. 2 Summary of Operation Variable Definition and Variable Measurement .....	42
Table 4. 1 Company of The Sample.....	50
Table 4. 2 Result of Frequency .....	51
Table 4. 3 Result of Descriptive Statistics .....	52
Table 4. 4 Result of Normality test .....	54
Table 4. 5 Result of Normality test .....	55
Table 4. 6 Result of Multicollinearity test .....	58
Table 4. 7 Result of Autocorrelation test .....	58
Table 4. 8 Result of Heteroscedasticity test .....	60
Table 4. 10 Summary of The Classical Assumption Test Result.....	60
Table 4. 11 Multiple Linear Regression Analysis.....	61
Table 4. 12 T-Test.....	62
Table 4. 13 F-Test .....	64
Table 4. 14 Coefficient of Determination Result .....	65
Table 4. 15 Summary of Hypothesis Testing.....	69

## LIST OF APPENDICES

	page
APPENDIX A : LIST OF POPULATION AND CHOSEN SAMPLE OF CONSUMER GOODS COMPANIES .....	A-1
APPENDIX B : DATA OF RETURN ON ASSETS ( $X_1$ ).....	B-1
APPENDIX C : DATA OF CURRENT RATIO ( $X_2$ ).....	C-1
APPENDIX D : DATA OF FIRM SIZE ( $X_3$ ).....	D-1
APPENDIX E : DATA OF INCOME SMOOTHING (Y).....	E-1
APPENDIX F : DATA AFTER OUTLIER.....	F-1
APPENDIX G : SPSS OUTPUT RESULT .....	G-1
APPENDIX H : Statistical Table .....	H-1

