

## **ABSTRACT**

*This study aimed to analyze: (1) negative impact on managerial ownership of the income smoothing; (2) negative impact on audit quality of the income smoothing; (3) the positive impact on leverage of the income smoothing; (4) negative impact on company size of the income smoothing. This study uses a sample of 85 companies listed on the Indonesian Stock Exchange from 2013 to 2015. The fourth hypothesis in this study were analysed using multiple linear regression.*

*The results of this study indicated that: (1) managerial ownership does not significantly impact on the income smoothing; (2) audit quality significantly negative effect of the income smoothing; (3) leverage significantly negative effect on the income smoothing; (4) company size significantly positive impact on the income smoothing.*

*Keywords: managerial ownership, quality audit, leverage, company size, income smoothing.*