# ABSTRACT

*Income Smoothing is an accounting procedure that may be used to reveal the performance of a company, its often to show the stability of business operations. There are various ways to represent the value of Income Smoothing, including based on a combination of Profitability factor, Capital Structure and Public Ownership. Income Smoothing is an alternative in explaining the financial performance of companies which is needed not only by management and company owners, but also by investors and even potential investors.*

*This research aims to evaluate the relationship pattern among Income Smoothing (IS) and the Profitability (P), Capital Structure (SM) and Public Ownership (KP) factors in coal subsector companies listed on the Indonesia Stock Exchange (BEI) during 2019-2022. Return on Asset (ROA) value is a proxy for describing the Company's profitability, as well as Debt to Equity Ratio (DER) value as a representation of the Capital Structure value.*

*The quantitative analysis applied is logistic regression model, where the first stage is to detect which companies apply the Income Smoothing method in their financial reports consistently on the IDX every year. Then examination of the observations is carried out to see whether there is a pattern of relationship among the variables that meaningful in the logistic regression model.*

*The results of statistical tests using the Hosmer-Lemeshow Test, Overall Model Fit Test, Coefficient of Determination (Nagelkerke R Square), as well as simultaneous tests and partial tests of the logistic regression model, it turns out that the relationship is significant, namely around 6,2% of the variation in the Income Smoothing value which can be explained by the simultaneous influence of the 3 variables (P, SM, KP), while around 93,8% is the influence of other variables that are not included in the model. From the partial test results it can be concluded that Profitability gives insignificant result and neither the Capital Structure, Public Ownership also has insignificant effect on Income Smoothing.*

*It is hoped that the results of this research can be used as an evaluation of the understanding of accounting methods, especially in terms of the benefits of Income Smoothing in representing the quality of performance of a coal business company, especially on the IDX. Besides, other factors if any sufficient data is available, such as Net Profit Margin, Cash Holding, Company Size, Winner/Loser Stock, Company Financial Leverage ratio, Return on Invested Capital (ROIC), Return on Equity (ROE), Dividend Policy, Reputation Auditors, etc., have chance to be researched furthermore to strengthening the model (powerful of model) for Income Smoothing in the future.*

**Keywords:** *Income Smoothing*, Profitability, Capital Structure, Public Ownership, Logistic Regression