



**THE INFLUENCE OF INCOME SMOOTHING TOWARDS STOCK PRICE CHANGES IN
MINING COMPANIES LISTED IN INDONESIA STOCK EXCHANGE**

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ABSTRACT

This research is aimed to analyze the effect of one form of earning management which is income smoothing towards stock price changes in mining companies listed in Indonesia Stock Exchange. The population for this research is mining companies listed in Indonesia Stock Exchange in period 2012 – 2016. Samples are chosen using purposive sampling with 24 sample companies to be studied in the period of five years. The analysis is using index Eckel to categorize the sample based on whether they practice income smoothing or do not practice income smoothing. The stock changes data is obtained through time series study with the span of five days before and after the report is published. This data then is processed using SPSS 22 with simple regression analysis where the effect is analysed by using T-Test.

The result of this research shows that there is no significant effect of income smoothing practice towards stock price changes in mining companies listed in Indonesia Stock Exchange in period 2012 – 2016.

Keywords: Earning management, income smoothing, stock price changes

