

**THE EFFECT OF INCOME SMOOTHING ON STOCK RETURN IN
PROPERTY INDUSTRY LISTED IN INDONESIAN STOCK EXCHANGE**

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STATEMENT BY THE AUTHOR

I hereby declare that this submission is my own work and to the best of my knowledge, it contains no material previously published or written by another person, nor material which to a substantial extent has been accepted for the award of any other degree or diploma at any educational institution, except where due acknowledgement is made in the thesis.

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ABSTRACT

THE EFFECT OF INCOME SMOOTHING ON STOCK RETURN IN PROPERTY INDUSTRY LISTED IN INDONESIAN STOCK EXCHANGE

By

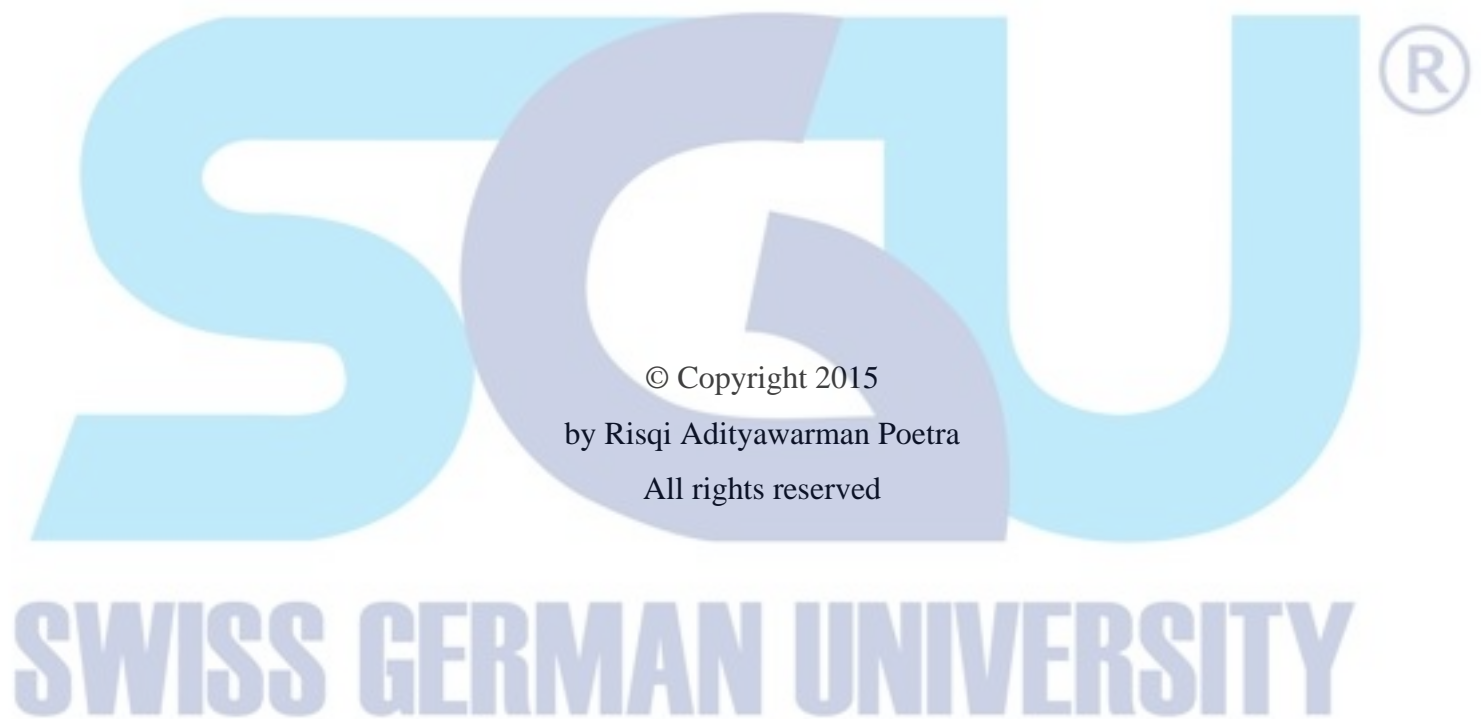
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The purpose of this research is to investigate the relationship between income smoothing and stock return in property industry for the year of 2010-2014. In order to test the hypotheses, 39 listed companies for 5 years period are selected as simple size. the main variables are income smoothing (independent variable) and stock return (dependent variable). ROE also the dependent variable as measurement from accounting value side. There are two controlled variable which are company specific factors and macroeconomics factors. Company specific factors consist of company size; sales growth and leverage. Macroeconomics factors consist of gross domestic products (GDP) and inflation. This research is using Eviews 8.1 in order to process the data. The result indicate that there is no effect of income smoothing on stock return. Sales growth has a significant positive effect on stock return. Income smoothing has a significant negative effect on ROE and sales growth has a significant positive effect on ROE. Interestingly, GDP has a significant negative effect on ROE.

Keywords: *Income Smoothing, Stock Return, Earnings Management, Capital Market, Performance.*



DEDICATION

I would like to dedicate this thesis to God, my family, my advisor, and friends.



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