Research.

The Role of Market Reaction Analysis in View of Company Size, Average Revenue, and Profitability

Fitri Dwi Jayanti[1], Dewi Ari Ani[2], Arda Raditya Tantra[3]

[1,2,3]Tax Accounting study program, Faculty of Economics, Law and Humanities
Ngudi Waluyo University

fitridwijayanti@unw.ac.id , dewiari@unw.ac.id , raditya@unw.ac.id

corresponding author[1]

Received: November 1, 2023 Accepted: December 2, 2023 Published: December 31, 2023

To cite this article: **Jayanti, FD; Ani, DA; Tantra, AR**; (2023); The Role of Market Reaction Analysis in View of Company Size, Average Revenue, and Profitability .*The Management Journal of BINANIAGA*., 8 (2), 181-192. doi:10.33062/mjb.v8i2.48

Abstract. *This research aims to determine the effect of company size and income smoothing on stock market reactions. The capital market is a place where investors as fund owners meet with issuers as companies seeking funds. In making a decision to invest, an investor needs a financial report to find out information and to use it as consideration if the investor wants to invest. The financial report itself is a tool for obtaining financial information and the performance of a company. The approach used in this research is a quantitative approach. The sampling technique used in this research is a nonprobability technique. The test results show a significance value of 0.000 that size has a positive and significant effect on earning response. Company size can inform the real performance of the company, so that in the end it can provide a response to investors to make investment decisions. The test results for the income smoothing variable show that the regression coefficient is positive at 2.805. The t statistical test for the Income Smoothing variable obtained a calculated t value of 2.805 which was greater than the t table value of 1.668. The significance value obtained was 0.007, which was smaller than the predetermined significance value, namely 0.05. This shows that income smoothing has an effect on the market reaction of the company. The test results above show that ROA with earnings response has a positive regression direction, so that an increase in ROA causes an increase in Company Value. The results of the t test show that the ROA variable has a t value > t table (3.804> 1.668) and a significance value < 0.05, namely the significance level obtained (0.000 < 0.05).*

Key words: Company Size, Income Smoothing, Profitability, Earning Response

Introduction

Background

The capital market provides a venue for investors to connect with issuers, or businesses looking for financing. In order to meet the company's finance requirements, issuers offer shares to investors. Investors have options for where to put their money thanks to fluctuating share prices. By placing their money in issuers, investors hope to make a profit and receive a return on their investment. Return is the amount received in exchange for money that has been invested.

The capital market is an indicator that drives a country's economy and can be used to assess the condition of companies in a country. For investors, macroeconomics is needed to help them make investment decisions. Macroeconomic factors are broad economic problems, one of which is inflation. Inflation is related to market mechanisms where people's consumption levels rise without being balanced by adequate stocks, or an increase in the amount of money circulating in society.

Because investors cannot be confident of the outcomes of their investments, there is a certain amount of risk or uncertainty associated with making investments in the capital market. Investors merely make estimates of the expected return on their investment and the likelihood that the actual results would differ from those predicted by a certain amount. (Edwantiar, 2016). Before purchasing a stock, investors calculate the return on that particular stock. Investors evaluate the issuer's performance prospects in order to get a sense of the projected return on their invested or future funds. An estimate of the return on investment is called the expected return.

The market reaction is shown by changes in the price of the security in question (Alwiyah, & Solihin, 2015). A company's share price may change as a result of activities taken by investors or potential investors. This can be done by purchasing, keeping, or selling shares. Investors buy or sell shares as a result of information they have learned about an event. The only actions that can alter share prices are purchases and sales. This is a result of a mismatch between the number of shares that are available and the number of shares that are in demand. The number of requests for the shares in question will rise as a result of investors' or prospective investors' purchases. Investors who sell their shares will raise the number of bids in the meanwhile. The large number of requests for shares that exceed the supply of available shares causes the share price to move up. Conversely, the greater the number of shares offered for sale by share owners than the demand to buy those shares, the price will decrease.

Investment decisions are decisions regarding assets managed by the company and aim to obtain high profits with a certain level of risk. If a company can generate profits from investment activities by using company resources efficiently, then the company will gain the trust of potential investors to buy its shares. Investment decisions completely depend on each individual.

It is hoped that the right investment decision will provide future benefits for both the company and investors. For investors, positive growth is a profitable prospect because it produces the best returns in the future. As an investor, you must know a lot of information about the company's financial condition as a reference and consideration in making investment decisions. The right investment decision can obtain maximum profits, but an inappropriate investment decision will cause losses for investors.

The financial report in question is a commercial financial report. According to Kasmir, "financial reports are reports that show the company's financial condition at this time or at a certain time" (Kasmir, 2016). Therefore, it is appropriate for financial reports to be thorough, accurate, and verifiable given that investors and potential investors utilize them as a guide when making decisions.

In addition, it is anticipated that financial reports will serve as a tool for piqueing the interest of potential investors. Using the Earning Response Coefficient (ERC) is one way to gauge information about profitability (Herdirinandasari, Sherla Sherlia, 2016). Does the profit information accurately reflect the circumstances, allowing for decision-making and enhancing the value of those decisions in producing financial reporting? Therefore, engineering financial reports or what is known as creative accounting is a frequent practice among management. Implementing earnings management, particularly the practice of income smoothing, is one method of creative accounting. Shareholder satisfaction rises throughout income smoothing, and business profits remain stable (Rustan, R.,& Winarsih, 2018).

The technique of income smoothing demonstrates managers' efforts to use their reporting guidelines in an effort to lessen earnings spikes for the organization (Sanjaya, W., & Suryadi, 2018). Stabilizing the position of their assets or debts is another approach to go about it. This is supposed to give investors a sense of safety and risk-freeness since it is expected that if the position of assets and debts fluctuates too much, it would raise concerns about ensuring future business continuity. Therefore, the practice of income smoothing is understood as the result of investors' sensitivity to profit growth as well as asset and liability expansion. All of this is done solely to preserve the company's reputation among the general public, particularly stakeholders, in the hopes that it will respond favorably to market reactions (earning response) (Fauzan, M., & Purwanto, 2017).

Despite the fact that financial reports are quite good, in reality, the beauty of the financial reports issued by issuers does not always result in investors being interested and willing to invest, so it does not result in investors being interested and willing to invest, so it does not result in the share price of a company going up but rather experiencing a continuous downward trend. This demonstrates that the phenomenon of rising profits and good financial performance does not necessarily translate into an increase in profits and that good financial performance is not always directly correlated with share prices, even among issuers with high liquidity (blue chips). With asset growth, liability growth, and income smoothing techniques as independent variables, researchers were motivated to investigate the elements that affect market reactions (earning response).

Research Question

As with the problems described by the author previously, this research focuses on the factors that influence market reactions. The problem formulation in this research is as follows:

1. How does company size influence market reactions to manufacturing companies listed on the IDX?
2. How does income smoothing influence market reactions in manufacturing companies listed on the IDX?
3. How does profitability influence market reactions in manufacturing companies

LITERATURE REVIEW

Company Size

Large-scale companies will have more value, large companies have an impact on investor psychology. Investors will assume that large companies can be guaranteed to have large assets. The factor that influences company value is company size, where a large company size is an added value for the company, but the larger the size or scale of the company, the easier it is for the company to obtain funding sources (M. W. Pratiwi, 2016). A large company will also give investors an idea that the company is seen as having high performance effectiveness and efficiency. Investors will feel interested and hope that with the support of information large companies can provide high returns. With greater funding encouragement from the size of the company, companies will try to use strategies to attract investors. One of the company's strategies is to manipulate information in financial reports, with the hope that the company can attract investors to invest their capital in the company concerned.

This phenomenon is based on signal theory, where investors will receive positive signals from large companies which are more convincing than small-scale companies and are supported by stable profits in each period even though there has been manipulation of information in the company's financial reports. Company size is indirectly another positive signal that supports investor confidence in companies that have good performance. Fun Researcher (2017); Putranto & Darmawan (2018), prove that company size is able to have a positive and significant influence on market reactions

Income Smoothing

Income smoothing is a deliberate decision by company management to change the content of the company's financial information. Management manipulates to create good financial reports aimed at attracting investors to invest. Companies that have more stable profits will make investors interested and think the company has good performance. The same opinion was conveyed by researchers Fatimah, Danial, & Z (2019) where, income smoothing is a strategy carried out by company management in manipulating financial reports. Income smoothing is moving income from high years to less profitable periods to reduce profit fluctuations. So, companies that have stable profits will be seen to have good performance. Agency theory will occur in companies that carry out income smoothing, because of the different interests of company owners who want financial reports to be described in real terms so that no party is harmed, but company management changes the information content to attract investors who have a short-term nature for the company (Safitri et al. al., 2015). Researchers Apriwandi & Pratama (2012); Dwiadnyana & Jati (2014); Mutiasari & Paramita (2016), prove that companies that carry out income smoothing will make investors more interested and the market reacts even if there are changes in financial information.

Profitability

The company's profitability, which is described through return on assets, is used as an illustration of the company creating profits from maximally utilizing the assets owned by the company. This ratio can determine how a company can be considered efficient in utilizing assets to generate profits for the company. Utilizing these assets also makes the company have better accreditation than using capital through creditors that are too high (Gunadi & Kesuma, 2015). Investors generally also assess a company that has high nominal assets, the company is able to utilize these assets to make a profit and continues to add assets to expand the company's operational activities. Signal theory explains that information providers will deliberately give positive signals to investors if the company has maximum performance. When investors are able to capture these signals, investors will assume the company is capable of creating high returns. Companies will respond to high demand for shares, so that the share prices of related companies will also experience an increase due to the high level of demand for company shares. Researcher Dwipratama (2009); Tarigan & Pratomo (2013); Yulindasari & Riharjo (2017), prove that the return on assets ratio has a positive and significant effect on capital market reactions.

RESEARCH METHODS

The method adopted for this study is a quantitative method. The quantitative approach places a strong emphasis on testing hypotheses by quantifying study variables and statistically evaluating data. (Indriantoro, 2014). According to the research explanation, this study is an example of causality-based associative research. According to Sugiyono, associative research of the causality type reveals how the independent variable affects the dependent variable (Sugiyono, 2019a).

A nonprobability strategy was applied in this study's sampling method. Non-probability sampling, according to Sugiyono, is a sampling technique that doesn't give each component or member of the population an equal chance to be chosen as a sample. (Sugiyono, 2019b). Purposive sampling is the technique employed in the meantime for sampling. Twelve industrial companies with listings on the Indonesian Stock Exchange served as the samples for this study.

Data analysis in this study using SPSS software. As for the testing phase in the research, the first is the testing of classical assumptions. In classical assumption testing, there are three tests: the normality test, the multicollinearity test and the classical hypothesis test. After the data passes the classical assumption test stage The next step is an influence test. In the influence test in this study, we test influence partially, simultaneously and determination. The last step is to test the test loop using the loop calculator to find out the role of the intervening variable in influencing the independent variable against the dependent variable. (Atmaja, 2009).

RESULTS AND DISCUSSION

Test results

Normality Test

Normality test is a test used to determine whether the data variable is distributed normally or not. According to Ghozali (2011), a good regression model is to have a normal or near-normal data distribution. In this study using the Kolmogorov-Smirnov test (K-S). Data is said to be normally distributed if the significance is greater than 0.05

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		60
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	1.70460977
Most Extreme Differences	Absolute	.099
	Positive	.069
	Negative	-.099
Test Statistic		.099
Asymp. Sig. (2-tailed)		.082[c]

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

Based on the results of the normality test using the Kolmogorov Smirnov test presented above, it shows that the significance value is greater than the critical value (0,151 > 0,05), so it can be concluded that the data used in the regression model is normally distributed.

Multicolinearity test

The purpose of the multicollinearity test is to determine whether or not a regression model contains a correlation between the independent variables.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	Collinearity Statistics	
		B	Std. Error	Beta	Tolerance	VIF
1	(Constant)	60.937	8.033			
	Company Size	-3.105	.791	-.465	.844	1.184
	Income Smoothing	2.010	.717	.308	.987	1.014
	Profitability	-15.405	4.050	-.449	.853	1.173

a. Dependent Variable: Market Reaction

Each independent variable has a tolerance value >10% and a VIF value 10, according to the findings of the multicolinearity test that was carried out and then displayed in the table above. Therefore, we can say that this regression model's independent variables do not exhibit multicollinearity.

Heteroscadastisity test

The Heteroscedasticity test is a test performed to find out where the variance inequality of the residual occurred for all observations on the regression model. If the variants are the same then it is called homokedastisity, if the variables are different then it's called heterocedasty. A good regression model is that of homokedastisity or no occurrence of heteroskedastism (Ghozali, 2011).

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.071	.515		2.081	.039
	Company Size	.095	.028	.317	2.339	.033
	Income Smoothing	.163	.039	.520	4.146	.000
	Profitability	.135	.033	.544	4.147	.000

a. Dependent Variable: Abs_RES2

It is clear from the heteroskedastisity test findings, which are displayed in the table above, that each independent variable has significant values that are higher than the level of significance 0,05. The regression model used in this study therefore does not exhibit heteroskedasty, it can be said.

Regression Test

To ascertain the impact of individual (partial) independent variables on the dependent variable, simple linear regression analysis is performed. This study investigates the relationship between Income Smoothing and Market Reactions, as well as the relationship between Market Reactions and Company Size. A computer program for statistical data processing is used to process this analysis.

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	60.937	8.033		7.585	.000
	Company Size	3.105	.791	.465	3.924	.000
	Income Smoothing	2.010	.717	.308	2.805	.007
	Profitability	15.405	4.050	.449	3.804	.000

a. Dependent Variable: Market Reaction
Source: SPSS output version 25, 2023

Based on the table above, the regression model used is as follows.

Y = 60,937 + 3,105X1 +2,010X2+15,405X3

The outcomes of basic linear regression can be described as follows in light of the regression model and table above:

1. The constant is 60.937, which means that the Earning Response is 60.937 if the income smoothing, profitability, and other variables are considered to be constant.
2. The company size variable is 3.105, which means that for every point that the company size increases, the earning response will also increase by 3.105.
3. Variable income smoothing is 2,010, which means that for every point that Income Smoothing increases, Earning Response also increases by 2,010.
4. Because the Variable Profitability is 15,405, an increase in Profitability of 1 point will result in an increase in Earning Response of 15,405 every time.

The link between the variables can be somewhat explained as follows based on the coefficients table above:

1. The Influence of Company Size on Earning Response

   Earning Response is influenced by company size. Based on the t value, it can be deduced that the firm size variable has a positive and significant impact on profits response because the calculated t value is 3.924 ⩾t table 1.668 and the significant value is 0.000 < 0.05, and Ho is therefore rejected.

2. The Effect of Income Smoothing on Earning Response

   Income Smoothing affects Earning Response. Based on the t value: It is known that the calculated t value is 2.805 ⩾ t table 1.668 and the significant value is 0.007 <0.05, then Ho is rejected (accepts Ha) so it can be concluded that the income smoothing variable has a positive and significant effect on the earnings response variable

3. Effect of Profitability on Earning Response

Profitability influences Earning Response. Based on the t value: It is known that the calculated t value is 3.804 ⩾ t table 1.668 and the significant value is 0.000 <0.05, then Ho is rejected (accepts Ha) so it can be concluded that the profitability variable has a positive and significant effect on the earnings response variable

The impact of Income Smoothing, Company Size, and Profitability taken together (simultaneously) on Market Reactions is examined using multiple linear regression analysis. The following results were produced after this analysis was performed using a statistical data processing computer tool:

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1133.506	3	377.835	9.422	.000[b]
	Residual	2245.642	56	40.101		
	Total	3379.148	59			

a. Dependent Variable: Market Reaction

b. Predictors: (Constant), Profitability, Income Smoothing, Company Size
Source: SPSS output version 25, 2023

The influence of all independent factors, including firm size and income smoothing together (simultaneously), on the dependent variable earning response may be observed in the above table. The simultaneous significance test yielded data with a computed F value of 9.422 and a significance level of 0.000. Given that this value is less than 0.05, it may be concluded that, for the years 2018 through 2021, the market responses in manufacturing companies listed on the Indonesia Stock Exchange (BEI) are influenced by company size, income smoothing, and profitability jointly (simultaneously).

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.579[a]	.335	.300	6.33251

a. Predictors: (Constant), Profitability, Income Smoothing, Company Size

b. Dependent Variable: Market Reaction
Source: SPSS output version 25, 2023

The R square value, a representation of the correlation coefficient, displays a value of 0.300 based on the aforementioned table. This result indicates that the association between the four variables in this research—company size, income smoothing, profitability, and earning response—is poor. This table also yields the R square value, or determination coefficient, which displays a value of 0.300, indicating a 30% contribution to the Y, or earning response, variable from the company size, income smoothing, and profitability factors. while other factors affect 70% of it.

Discussion of Test Results

1) The Influence of Company Size on Earning Response

It is clear from the table above's partial test results that the t count is 3.924 1.668 with a significance level of 0.000 > 0.05. This demonstrates that over the 2019–2021 timeframe, the size variable has a positive and significant influence on the earning response of manufacturing companies listed on the Indonesia Stock Exchange.

The test's findings indicate that size significantly influences earning response. The findings of this study concur with those of Chaney and Jeter (1991), who contend that size has a favorable and significant impact on earning response. Company size can help investors make investment decisions by providing information about the company's actual performance.

The sample company's size is a variable used to determine its size. A company's size can be described in terms of its total assets, sales, and market capitalization. One of the elements affecting ERC is company size (Naimah and Utama, 2008). The size of a corporation is determined by its total assets, sales, and market capitalization. Large corporations regularly release a ton of non-accounting data. Shareholders utilize this data to enhance their understanding of financial reports, making it possible to forecast cash flows and lower uncertainty. The market is less likely to respond to earnings announcements as a result of the abundance of information on large companies that is readily available throughout the year.

In order to investigate the long-term (long window) link between company size and earnings response, company size is utilized as a proxy for share price informativeness. The earning reaction value will be lower in large companies when there are more information sources. Due to the impact of company size on earnings reaction, every investor should be aware of all relevant facts regarding particular company statistics.

2) The Effect of Income Smoothing on Earning Response

In order to attain the targeted profit level, managers may take the income smoothing step, which involves purposefully reducing swings in reported profits. The idea of smoothing is founded on agency theory, just as earnings management, and assumes that owners and management are equally interested in maximizing their respective utility from the information they have.

The t statistical test and simple linear regression analysis were used to evaluate this hypothesis. The regression coefficient is positive at 2.805, according to the test findings for the income smoothing variable. The estimated t value for the Profit Map variable in the t statistical test was found to be 2.805, higher than the t table value of 1.668. The obtained significance value was 0.007, which was less than the 0.05 specified significance threshold. This demonstrates how market reactions in manufacturing companies listed on the Indonesia Stock Exchange for the 2016–2019 timeframe is impacted by income smoothing. For the period of 2018 to 2021, it can be said that the theory that income smoothing has a favorable impact on market reactions in manufacturing businesses listed on the Indonesian Stock Exchange is accepted.

Companies that employ income smoothing frequently cause market repercussions. The market's abnormal returns are a sign that it is reacting. Investors will purchase stock in the associated firm if the company has consistent profits. The market response is larger the lower the income smoothing index is. According to the findings of the research, Profit Smoothing has an impact on Market Reaction, which means that businesses use income smoothing to alter how the market reacts. This demonstrates that income smoothing is reasonable when used as a foundation for investors' share purchase decisions.

The findings of earlier research by Amrie Firmansyah (2019) titled "The Influence of Income Smoothing, Dividend Leverage Policy, and Company Size on Earning Response Coefficient and Future Earnings Response Coefficient" are consistent with this outcome. The study's findings indicated that income smoothing has a favorable impact on ERC, and investors think that the company's managers' actions will make current profits more informative because they view income smoothing as a cost-effective strategy for generating profits.

3) Effect of Profitability on Earning Response

The test results above show that ROA with earnings response has a positive regression direction, so that an increase in ROA causes an increase in Company Value. The results of the t test show that the variable Roa with a tcount value > t-table (3.804>1.668) and a significance value <0.05, that is, with a significant level obtained (0.000 <0.05), then H0 is rejected and Ha is accepted, this shows that ROA partially influences earnings response. This research is in line with (Aminar Sutra Dewi, 2018) and (Adhista Setyarini, 2019).

Profit is an important element in a company's operational activities to ensure the company's survival in the future. The success of a company can be seen from the company's ability to compete in the market. Every company hopes for maximum profit. Profit is the main measure of a company's success. Profitability is the final result of a number of policies and decisions made by the company. Profitability or the ability to earn profits is a percentage measure used to assess the extent to which a company is able to generate profits at an acceptable level. Profitability is a comparison that aims to determine a company's ability to achieve or generate profits during a certain period (Septiana 2019).

According to (Hery, 2016) profitability is a ratio used to measure a company's ability to generate profits from normal business activities. Apart from aiming to determine the company's ability to generate profits during a certain period, Profitability also aims to measure the level of management effectiveness in carrying out company operations. Profitability is a comparison that describes a company's ability to generate profits through all its capabilities and resources, namely those originating from sales activities, use of assets and use of capital.

This is supported by research conducted by Premawati and Darma (2017) and Zulkarnain (2020) showing the results that profitability has a positive effect on earning response. The research results found that profitability has a positive effect on earnings response, investors assume that the company's profitability ratio will increase the informativeness of current earnings.

4) The Influence of Company Size, Income Smoothing and Profitability Variables Together on Earning Response

From the results of simultaneous testing between the variables Company Size and Income Smoothing on Earning Response, a significance value of 0.000 <0.05 was obtained, so these results show that together the variables company size, income smoothing and profitability have an effect on earnings response. The magnitude of the influence is based on the results of the coefficient of determination of 30%. The remaining 70% are other influencing factors that are not yet known.

It is safe to infer that the three tested variables have a low level of influence—less than 50% of the size of the influence—and that the three variables have a low level of influence. The income smoothing variable is the one that effects the other factors the most, according to the analysis of the three variables. However, this may suggest that there are still a lot of additional components or variables that could result in a rise or expansion in earnings response or market reaction, which could pique the interest of investors and consumers. The final hypothesis—that when tested combined, they will have a major impact on market response—has been refuted by the study's findings.

CONCLUSIONS AND SUGGESTIONS

Based on the results of data analysis and the previous discussion, it can be concluded that the test results for the variables company size, income smoothing and profitability are known to have positive and significant results. This shows that company size, income smoothing and profitability influence the market reaction in manufacturing companies listed on the Indonesia Stock Exchange for the 2018-2021 period.
The capital market provides a venue for investors to connect with issuers, or businesses looking for financing. In order to meet the company's finance requirements, issuers offer shares to investors. Investors have options for where to put their money thanks to fluctuating share prices. By placing their money in issuers, investors hope to make a profit and receive a return on their investment. An investor requires a financial report while deciding whether or not to invest in order to gather information and use it as input. The financial report itself is a tool for learning about a company's finances and performance. Future research could consider increasing the number of analysis units used by increasing the research period, because manufacturing sector companies are very dynamic in terms of investor movements and the global economy, meaning the data used can be so extreme that it cannot be used. Future research is expected to add moderating or intervening variables which can be used as variations in future research models.

REFERENCES

Alwiyah, & Solihin, C. (2015). *Pengaruh Income Smoothing terhadap Earning Response pada Perusahaan Manufaktur yang Listing Di BEI.*

Atmaja, lukss setia. (2009). *Statistika*. Andi Offset.

Edwantiar, G. P. (2016). *Reaksi Pasar Sebelum Dan Sesudah Penerapan Konvergensi PSAK Pada Perusahaan Di Bursa Efek Indonesia*.

Fauzan, M., & Purwanto, A. (2017). Pengaruh Pengungkapan CSR, Timeliness, Profitabilitas, Pertumbuhan Perusahaan dan Resiko Sistematik Terhadap Earning Response Coefficient (ERC)(Studi Empiris Pada Perusahaan Manufaktur, Properti dan Pertambangan yang Terlisting di Bursa Efek Indonesia (BE. *Diponegoro Journal Of Accounting*, *6*(1).

Herdirinandasari, Sherla Sherlia, and N. F. A. (2016). Pengaruh Ukuran Perusahaan, Profitabilitas, Dan Voluntary Disclousure Terhadap Earning Response Coefficient (ERC). *Jurnal Ilmu Dan Riset Akuntansi (JIRA)*, *5*(11).

Indriantoro, N. and B. S. (2014). *Metodologi Penelitian Bisnis Untuk Akuntansi & Manajemen. Edisi 1. Cetakan ke-12. Yogyakarta: BPFE.*

Kasmir. (2016). *Analisis Laporan Keuangan*. PT. Raja Grafindo Persada.

Rustan, R.,& Winarsih, E. (2018). Pengaruh Profitabilitas terhadap Perataan Laba pada Perusahaan Manufaktur yang Terdaftar di Bursa Efek Indonesia. *Amnesty :Jurnal Riset Perpajakan*, *1*(1), 22–29.

Sanjaya, W., & Suryadi, L. (2018). Faktor-Faktor Yang Mempengaruhi Income Smoothing Pada Perusahaan Manufaktur Periode 2014-2016. *Jurnal Ekonomi*, *23*(3).

Sugiyono. (2019a). *Metode Penelitian Kuantitatif, Kualitatif, Dan R&D*. Alfabeta. https://opac.perpusnas.go.id/DetailOpac.aspx?id=911046

Sugiyono. (2019b). *Metode Penelitian Kuantitatif, Kualitatif dan R&B*. Alfabeta.