# ABSTRACT

Angelica Stepanie / 31150492/2019 / Effect of Cash Flow Volatility, Volatility Sales, Magnitude Accrual, And Accelerated Debt to Earnings Persistence In Manufacturing Companies Listed on the Stock Exchange Period 2015-2018 / Supervisor: Dr. Carmel Meiden, SE, M.Sc., AK., CA.

Financial statements is one of the bases for investors to determine whether the company is worth the invested capital and usually investors will see its share of profits. Good profit is the profit that is persistent. But not all investors understand the importance of persistent profit. This study aims to determine whether the cash flow volatility, volatility of sales, the amount of accruals and debt level affects the persistence of earnings.

The theory of this study, namely, the agency theory is a rational understanding of motivation agent to act on behalf of the principal will be opposed if the opposite happens. One way to reduce the agency cost is to use inspection or audit, or can also use see an increase or decrease the persistence of earnings to measure how much the manipulation of accounting methods that do manager.

The object of this study are the financial statements of manufacturing companies listed in Indonesia Stock Exchange 2015-2018 period. Sampling using purposive sampling method totaling 84 observations consists of 21 companies in the sample with the six criteria. Data analysis conducted for the test is the test of the fixed effect, classic assumption test, F test, t test, and test the coefficient of determination.

The test results with the least square dummy variables that do state that the data can be dipooling. This study shows that the variable cash flow volatility and the volatility of sales negatively affect earnings persistence. Magnitude accrual does not adversely affect the persistence of earnings. While the level of indebtedness positive effect on earnings persistence.

The conclusion of this study is the variable cash flow volatility negatively affect earnings persistence. Variable sales volatility also negatively affect earnings persistence. The magnitude of accruals no negative effect on earnings persistence. Debt level positive effect on earnings persistence.