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Using “Eckel” Model to Measure Income Smoothing Practices: The Case of French Companies

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Abstract : Income smoothing represents an attempt on the part of the company's management to reduce variations in earnings through the manipulation of the accounting principles. In this study, we aimed to measure income smoothing practices in a sample of 30 French joint stock companies during the period (2007-2009), we used Dummy variables method and “ECKEL” model to measure income smoothing practices and Binomial test accourding to SPSS program, to confirm or refute our hypothesis. This study concluded that there are no significant statistical indicators of income smoothing practices in the sample studied of French companies during the period (2007-2009), so the income series in the same sample studied of is characterized by stability and non-volatility without any intervention of management through accounting manipulation. However, this type of accounting manipulation should be taken into account and efforts should be made by control bodies to apply Eckel model and generalize its use at the global level.

Keywords : income, smoothing, 'Eckel', French companies
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