

ABSTRACT

Profitabilitas is a ratio to measure management effectiveness as a whole that is shown by the size of the level of profits obtained in relation to sales and investment in the company. With that it can be interpreted that every company will always try to increase its profitability, because the higher the level of profitability of a company, the survival of the company will be more guaranteed.

This study aims to determine the effect of Working Capital Turnover (WCOT), Liquidity (CR), and Leverage (DER) on Profitability (ROA) in Consumer Goods Companies listed on the Indonesia Stock Exchange in 2015-2017.

The population in this study are consumer goods companies listed on the Indonesia Stock Exchange registered in 2015-2017. The sampling method used a purposive sampling method with a total sampling of 29 companies and a 3-year research period so that the number of units in the sample was 87 samples. The data analysis technique uses descriptive statistics and hypothesis testing using panel data regression analysis using the software eviews 9.5 application.

Tests obtained from this study simultaneously show Working Capital Turnover (WCOT), Liquidity (CR), and Leverage (DER) significantly influence Profitability (ROA). Partially, Working Capital Turnover (WCOT) has a significant effect on Profitability (ROA), while Liquidity (CR), and Leverage (DER) do not have a significant effect on Profitability (ROA).

Based on research carried out suggestions for companies it is expected that the management of the company should be able to maintain the working capital turnover efficiently. Because if the company shows a high and stable level of working capital turnover, it will have a significant effect on the profitability of the company. For investors, it is recommended that a decision be made by considering a company that values good profitability with good working capital turnover.

Keywords: Working Capital Turnover, Liquidity, Leverage, Profitability