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IMPACT OF WORKING CAPITAL, LIQUIDITY, LEVERAGE, GROWTH, SIZE, AND FINANCIAL ASSET TO TOTAL ASSET WITH PROFITABILITY ON LO45 COMPANY

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> > Abstract

This research aims on analyzing components of Working Capital effecting profitability which is measured by ROA (return on asset). The components in this research are Working Capital, Liquidity, Leverage, Growth, Size, and Financial Asset to Total Asset.

The research object is LQ45 companies listed in Indonesia Stock Exchange (IDX) in the period 2012 until period of 2016. Using the purposive sampling method, samples that meet the requirements are 34 firms or 170 observations data. This research uses purposive sampling method to analyze the effect of independent variables on dependent variabels. The data are then analyzed using statistical package for social sciences (SPSS).

The result showed that, Cash Conversion Cycle and Net Trade Cycle have significant negative on profitability, Average Inventory Period and Liquidity have significant positive on profitability different with the result also found that Average Collection Period, Leverage, Growth, Size, and Financial Asset to Total Asset as variable has insignificant effect.

Keywords:

Working capital management, profitability, liquidity, leverage, growth, size, financial asset to total asset.

