ABSTRACT

This research examines the profitability of manufacturing companies, specifically fast moving consumer goods, and trends from period to period. Profitability is a crucial financial performance indicator in this industry that is heavily influenced by high competition and demand. This study analyzes factors affecting company profitability and identifies profitability trends over time. The findings can assist companies in making informed decisions to improve future profitability. The research tests the effect of Accounts Receivable Turnover, Inventory Turnover, and Accounts Payable Turnover on Company Profitability.

The independent variables in this study are Accounts Receivable Turnover, Inventory Turnover, and Accounts Payable Turnover. As per Agency Theory, Accounts Receivable Turnover and Inventory Turnover have a positive influence on Company Profitability. The population utilized is Fast Moving Consumer Goods companies listed on the Indonesia Stock Exchange (IDX) from 2017-2021. Samples were determined through purposive sampling method, resulting in 356 samples from 121 companies tested in this research using secondary data from Bloomberg. The dependent variable is measured through Return on Assets. This study employs descriptive statistical analysis, classic assumption tests consisting of normality test, multicollinearity test, heteroscedasticity test, and autocorrelation test, as well as hypothesis testing consisting of Coefficient of Determination Test, T Statistical Test, and F Statistical Test.

Through statistical analysis in this research, it is known that accounts receivable turnover and inventory turnover have a positive effect on company profitability as measured by return on assets (ROA). Meanwhile, accounts payable turnover has proven to significantly negatively affect company profitability.

Keyword: Account Receivable Turnover, Inventory Turnover, Account Payable Turnover, Return on Asset