Abstract

This study aims to analyse the relationship between working capital management and independent variables Cash Conversion Cycle (CCC), Inventory Conversion Period (ICP), Average Collection Period (ACP), and Average Payment Period (APP) to Return On Assets (ROA) with Leverage, Liquidity, and Size as the controlling variables. The study was conducted in manufacture companies in Indonesian Exchange from 2013 to 2017.

The research population is manufacture companies listed in Indonesian Exchange from 2013 to 2017. The number of sample used is 72 manufacture companies chosen by purposive sampling method. The analysis method on this research is Ordinary Least Square.

The result shows that Cash Conversion Cycle (CCC) negatively and insignificantly impacts ROA, and the Inventory Conversion Period (ICP) also negatively and insignificantly influence impacts ROA. The Average Collection Period (ACP) negatively and significantly impacts ROA, meanwhile the Average Payment Period (APP) has a positive and significant impact to ROA. The result also shows that regression model with Cash Conversion Cycle (CCC) as the independent variable has Adjusted R^2 *0.355. In other words, 35.5% dependent variable variety can be explained by the independent ones while the rest 64.5% is explained by the other variables. Next, regression model with Inventory Conversion Period (ICP), Average Collection Period (ACP), and Average Payment Period (APP) has 0.373 Adjusted* R^2*, or, in other words,37.3% variety of the dependent variables can be explained by the independent ones while the rest 62.7% is explained by the other variables.*

Keyword : Return On Assets (ROA), Cash Conversion Cycle (CCC), Inventory Conversion Period (ICP), Average Collection Period (ACP), Average Payment Period (APP).

.