

## **ABSTRACT**

*This study aimed to analyze the effect of working capital management which includes cash conversion cycle, the number days of accounts receivables, the number days of inventories, the number days of accounts payables to the company's profitability manufacturing basic industry and chemical sectors which are listed on the Indonesia Stock Exchange (BEI) in the period 2013 to 2015. Profitability is the company's ability to generate profits. Management is required to manage the components of working capital efficiently to generate profitability.*

*This study uses secondary data obtained from the financial statements of companies manufacturing basic industry and chemical sectors which are listed on the Indonesia Stock Exchange (BEI) in the period 2013 to 2015. Purposive sampling method used to obtain the sample. Samples were obtained by 177 companies. Data were analyzed using multiple regression with SPSS 22.*

*The result of this study indicate that cash conversion cycle, the number days of accounts receivables and the number days of inventories have a positive and significant effect on profitability. While the number days of accounts payables has no effect on profitability.*

*Keywords: Cash conversion cycle, the number days of accounts receivables, the number days of inventories, the number days of accounts payables, profitability.*