

ABSTRACT

A company is built with goals to raise its value and maximize its profit, so in the end it can create profit for the owner or the stockholders. Basically, to achieve the such goals, a company always afford to optimize the amount of working capital. There are many factors that can affect the amount of company's working capital. This research is conducted to analyze the variables of size, profitability, operating cycle, leverage, and sales growth which have influenced the amount of working capital food and beverages company sector in Indonesia.

The population in this research is taken from food and beverage companies which enlisted in the BEI from year 2007 - 2010. The samples are obtained by using the purposive sampling method until only 16 companies left to be taken as samples in this research. This research uses regression analysis method to find the effect of independent variables, such as size, profitability, operating cycle, leverage, and company's sales growth.

The result of this research shows the variable of size has negative insignificant effect to the amount of working capital, so do the variable of profitability. Meanwhile the variable of operating cycle has positive insignificant effect to the amount of working capital, the variable leverage has negative significant effect to the amount of working capital and sales growth has positive significant effect to the amount of working capital. To sum up, only leverage and sales growth that have significant effect to the amount of working capital of food and beverage companies sector which enlisted in the BEI from year 2007 - 2010.

Keywords: working capital, size, profitability, operating cycle, leverage, sales growth