

ABSTRACT

Working capital is very important for the operational execution of company. Generally, working capital is the company's investment upon the form of current assets, which are cash, securities, receivables, and inventories. There are two comprehensions of working capital, which are, firstly, gross working capital that is the entire current assets, whereas secondly, net working capital that is the extra part of current assets above the current liabilities. Upon the discussion, the term of working capital will refer to the net working capital. The management of working capital is very required since it is related to either the working capital policy stipulating or its application upon daily company's operation. The appropriate working capital can warrant the commerce continuity. The condition of company's working capital can be viewed through the report of the source and the use of working capital, and in order to value the liquidity level, it uses working capital ratio. The management of working capital determines the liquidity position that is one of the company's success requirements. Through the effective working capital management, there is expectation to reach the continuity and the well-growth of the go public apparel and other textile product in Indonesian Stock Exchange. The research purpose is to analyze relationship between the cycle of working capital elements and the economic susceptibility upon the other go public textile garment and product in Indonesian Stock Exchange.

The used object upon the research is the go public textile company in Indonesian Stock Exchange. The data used to complete estimation is annual data line series of nine textile companies started from the year 2004 to the year 2008. The data is analyzed by using regression analysis.

Keywords: working capital, working capital management, turnover of working capital elements, economic rentability.