

## **ABSTRACT**

*Profitability of manufacturing companies in Indonesia are influenced by a variety of financial factors that can be measured using financial ratios. The purpose of this study was to analyze whether variables such as inventory conversion period, receivables collection period, payables deferral method, the debt ratio has an influence on the company's profitability as measured using ROA.*

*The population in this study were all manufacturing companies listed on the Stock Exchange in 2008-2010. Samples were taken using a purposive sampling method, in order to get 77 companies as a sample. Influence of independent variables such as: inventory conversion period, receivables collection period, payables deferral method, the ratio of debt to ROA investigated using regression analysis method.*

*The results showed that there are two variables that inventory conversion period , accounts receivable collection period and the debt ratio has a significant effect on ROA. Whereas the other, payables deferral method no significant effect on ROA. This suggests that the only inventory conversion period, variable period of collection of receivables and debt ratios that can affect profitability, while the variable payables deferral method not have a major influence in achieving gains in manufacturing companies listed on the Indonesia Stock Exchange in 2008-2010.*

*Key words: ROA, inventory conversion period, receivables collection period, payables deferral period, and debt ratios.*