

ABSTRACT

The aimed of this study was to analyzed the effect of the Cash Conversion Cycle (CCC), Average Collection Period (ACP), Inventory Conversion Period (ICP), Average Payment Period (APP), Payable Receivable Gap (PRGap) on the profitability of 30 largest manufacturing companies in Indonesia as measured by Return on Assets (ROA) where ROA as the dependent variable, CCC, ICP, ACP, APP, and PRGap as independent variables with Firm Size and Current Ratio as control variables.

*The population used in this research was Indonesian manufacturing companies that listed in the Indonesia Stock Exchange (IDX) for the 2014-2018 period. Purposive sampling was used as a sampling method in this study with the criterias of having a complete publication report in the 2014-2018 period, having a positive ROA value, and sorted into the 30 largest companies based on the total value of its assets. This research used multiple linear regression analysis by first passing the classical assumption test and using the *t* test, *F* test, and the coefficient of determination (*R*²) test to determine the significance and influence of the variables CCC, ACP, ICP, APP, and PRGap on ROA.*

The results of this study indicate that the Cash Conversion Cycle (CCC), Average Collection Period (ACP), Inventory Conversion Period (ICP), and Payable Receivable Gap (PRGap) have a significant negative effect on Return on Assets (ROA) and Average Payment Period (APP) has a positive and not significant effect on Return on Assets (ROA).

Keywords: ROA, CCC, ACP, ICP, APP, PRGAP, Working Capital Management