

ABSTRACT

The purpose of this study is to analyze the effect of working capital management on company performance. Working capital management with the variable Cash Conversion Cycle, Current Assets To Total Assets Ratio, Current Liability To Total Assets Ratio, and Current Ratio, while the company's performance is measured by the level of profitability that is the return on assets. This study uses firm size as a control variable and inflation as a moderating variable. This research is motivated by the importance of working capital management to maintain the stability of the company's operations. In addition, there are inconsistent results from previous studies on several factors used in this study of return on assets.

This study uses secondary data derived from annual financial statements involving 135 manufacturing companies listed on the Indonesia Stock Exchange from 2014 to 2018. Sampling uses a purposive sampling method with certain provisions. Data analysis uses multiple regression tests that include the classic assumption test. Hypothesis testing is done by f test and statistical t-test.

The findings reveal that the cash conversion cycle and current liability to total assets have a negative and significant impact on return on assets, while the current assets to total assets and current ratio have a positive and significant effect on return on assets.

Keywords : *Working capital, Return on assets, Cash Conversion Cycle, Current Assets To Total Assets Ratio, Current Liability To Total Assets Ratio, Current Ratio*