

ABSTRACT

Dahlia Zahrotul Jannah, 2012 Thesis. Title: "The Influence Of Cash Conversion Cycle Through Profitability Liquidity Manufacturing Period 2009-2011 (Studies in the Indonesia Stock Exchange IDX)"

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Cash is one of the elements of working capital the highest level of liquidity, but liquidity is too high will cause the unemployment cash so that the company will reduce profitability. This study aimed to determine (1) Effect of the cash conversion cycle consisting of inventory conversion period, receivables conversion period and the period of suspension of debt to the company's liquidity manufacturing (2) Effect of cash conversion cycle consisting of inventory conversion period, receivables conversion period and the period of suspension debt on the profitability of a manufacturing company (3) Effect of the cash conversion cycle which consists of the inventory conversion period, receivables conversion period and the period of suspension of debt to profitability through manufacturing company liquidity.

The population in this study are all manufacturing companies listed on the Indonesia Stock Exchange (BEI) for the period 2009-2011. The sample used was 78 manufacturing companies listed on the Indonesia Stock Exchange during the period 2009-2011. While the data analysis techniques by using path analysis (*path analysis*) to see the direct influence of independent variable cash conversion cycle consisting of inventory conversion period (X1), accounts receivable conversion period (X2) and debt suspension period (X3) to the dependent variable is profitability (Y), and influence indirectly through *intervening* variables, namely liquidity (Z).

The results of this study is the cash conversion cycle which consists of the inventory conversion period, receivables conversion period and the period of suspension of a significant debt directly to the manufacturing company's liquidity. Cash conversion cycle which consists of the inventory conversion period, receivables conversion period and the period of suspension of debt significantly influence the profitability of a manufacturing company. Cash conversion cycle which consists of the inventory conversion period, receivables conversion period and the period of suspension of debt significantly influence profitability through liquidity manufacturing companies listed on the Indonesia Stock Exchange (BEI) for the period 2009-2011.