

ABSTRACT

Fathurrahman, 2013. Thesis. Title: "The Effect of the Amount of Working Capital and the Efficiency of the Use of Working Capital on Profitability Through the Liquidity of Food and Beverage Companies Listed in Indonesia Stock Exchange (IDX) in the Period of 2009-2011"

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Working capital is one of the most important elements in the company. In managing it, the company faces liquidity problems and profitability. If the company defines a large amount of working capital, the company's liquidity will increase but it will cause the idle funds that will reduce liquidity. This study aims to determine (1) the effect of the amount and efficiency of the use of working capital on the company's liquidity (2) the effect of the amount and efficiency of the use of working capital on the profitability of food and beverage companies (3) the effect of the amount and efficiency of the use of working capital on the profitability through the liquidity of food and beverages companies.

The populations of this study are all of the food and beverage companies listed in the Indonesia Stock Exchange (IDX) for the period of 2009-2011. 11 food and beverage companies are then chosen as the samples. The data analysis technique employed is path analysis in order to see the direct influence of the independent variables which are the amount of working capital (X1), the efficiency of the use of working capital (X2) on the dependent variable that is profitability (Y), and the indirect effects through intervening variables that is liquidity (Z).

The results of this study show that the amount of working capital does not have a significant effect on the liquidity due to the company's increasing accounts receivable but the efficiency of working capital variables have a significant effect on likuiditas. The amount and efficiency of the use of working capital do not have a significant effect on food and beverage companies because of the increasing cost of sales. The amount of working capital does not have a significant effect on profitability through the liquidity of food and beverage companies. However, the efficiency of the use of working capital has a significant effect on the profitability through the liquidity of food and beverage companies listed in the Indonesia Stock Exchange (IDX) for the period of 2009-2011. Thus, in increasing the profitability, the companies have to reduce the credit sales in order to have a good company's liquidity in which the profitability will also increase.